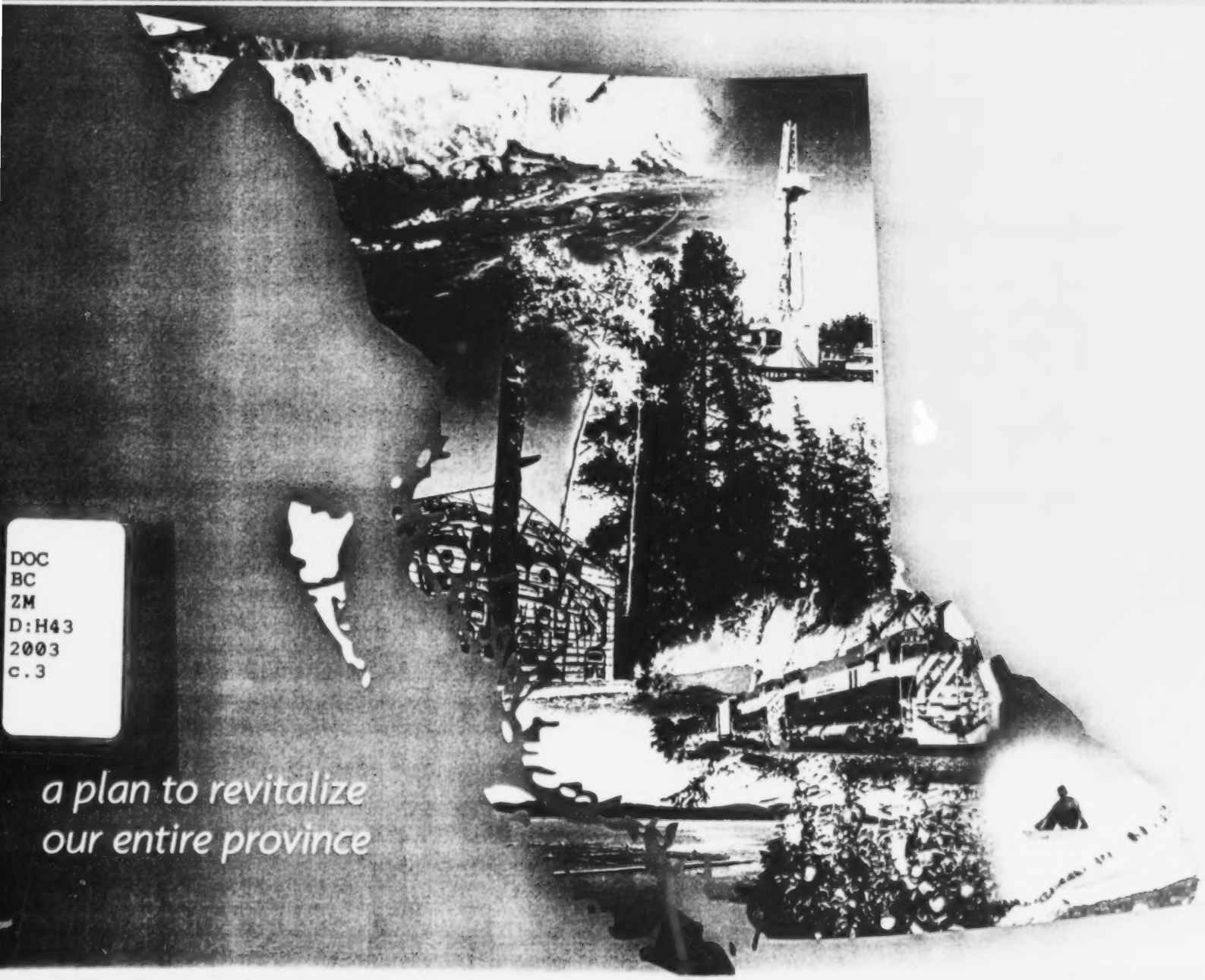
B.C. Heartlands Economic Strategy



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a plan to revitalize our entire province

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Opening Up New Opportunities in B.C.'s Heartlands

The Heartlands are B.C.'s true economic engine, generating jobs, growth and new opportunities for the benefit of every British Columbian in every B.C. community.

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The Heartlands: B.C.'s Economic Engine

B.C.'s Heartlands embody all the opportunity, resources and diversity that make our province the envy of the world. From the North to the Okanagan, and from the Kootenays to northern Vancouver Island, the Heartlands:

- Represent 99 per cent of B.C.'s land base.
- Are home to 41 per cent of British Columbians.
- Account for 70 per cent of B.C.'s $30 billion in annual exports to world markets.

The Foundation for Jobs and Prosperity

The Heartlands Economic Strategy builds on the tax cuts and other actions the government has already taken to stimulate B.C.'s economy.

In a province as vast and diverse as B.C., a one-size-fits-all approach to economic development is not enough to ensure all parts of the province realize their full potential.

Building on Regional Opportunities

B.C.'s overall economic picture has improved in the last two years. But not every region of the province is feeling the benefits of that improvement yet.

In an increasingly competitive world, it is critical that government work with communities, businesses and First Nations to unleash the full economic potential of every region of B.C.

The strength of our traditional resource industries, coupled with emerging opportunities and the drive for innovation in B.C.'s Heartlands, holds the key to a bright and prosperous future for all British Columbians.

One Province With One Vision: A Thriving Private-Sector Economy In Every Region

The Heartlands Economic Strategy aims to support economic growth and job creation by:

- Revitalizing our resource industries.
- Encouraging growth in new and emerging sectors.
- Building new partnerships with First Nations.
- Restoring B.C.'s transportation infrastructure.

The result will be a thriving private-sector economy that supports the jobs, the opportunities, the public services and the investments that are cornerstones of strong communities across B.C.

Revitalizing the Economy Provincewide

Action to stimulate investment and create jobs by cutting taxes and red tape is well underway – and further efforts will support business growth in the Heartlands.

Creating the Conditions That Promote Investment

The province's commitment to foster new jobs and growth in every region began with significant tax relief – and it has continued, with ongoing elimination of red tape, increased access to capital and Crown land, legislation that has created more flexible and rewarding workplaces, and a more responsive and efficient Workers' Compensation Board.

As part of its plan to create a competitive business climate, the province has:

- Introduced 27 tax-relief measures that have provided $1.25 billion in net tax relief for individuals and businesses.
- Eliminated more than 70,000 unnecessary regulations in pursuit of its goal of cutting red tape by one-third within three years.
- Changed venture capital legislation, paving the way for a 500 per cent increase in the number of companies seeking investment capital this year over last.
- Eliminated the backlog in Crown land tenure applications that cost B.C. $1 billion in lost economic activity, and cut the maximum processing time for applications in half, to 20 weeks.
- Given employers and employees more flexibility in such areas as setting work schedules.
- Passed new legislation that reduces the time for a decision on the 17,000 WCB appeals filed each year by more than half, to a maximum of 15 months from an average of 35 months.

On the Ground: A Program to Unleash Heartlands Investment

To ensure entrepreneurs throughout the Heartlands see real benefits from the province's red-tape reduction efforts, B.C. is appointing project managers in every region to help cut red tape and expedite new investment opportunities.

These managers will work with local governments, community economic development agencies, the private sector and MLAs to pinpoint impediments to private-sector investment and economic opportunity.

Importantly, these advocates will report directly to the highest levels of government, including the Minister of Competition, Science and Enterprise. The goal: to speed the elimination of barriers that could jeopardize new business and investment opportunities for Heartlands communities.

Result: Responsiveness that Maximizes Heartlands Investment

By directing government's highest levels to eliminate barriers to investment – and making smart regulation and timely, can-do service the rule throughout government – the province is ensuring its red-tape reduction efforts contribute to real economic development opportunities throughout the Heartlands.

B.C.'s Heartlands: Unlimited Potential, Unlimited Opportunity

- **The Heartlands are home to 41 per cent of British Columbians and 37 per cent of B.C. jobs.**
- **The Heartlands generate 70 per cent of B.C.'s more than $30 billion in annual exports.**
- **On a per capita basis, the Heartlands generate three times the value of exports that B.C.'s major urban centres do.**
- **The Heartlands encompass 99 per cent of B.C.'s 95 million hectares – an area bigger than France and Germany combined.**
- **It's a shorter drive from Vancouver to San Francisco or Saskatoon than it is from Vancouver to Fort Nelson.**

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Health Care: A Foundation for Strong Communities

MRI, VANCOUVER ISLAND:
New MRI machines in Nanaimo, Kelowna and other Heartlands communities are providing timely, necessary diagnostic care.

The government is committed to ensuring you receive the care you need, where you live, when you need it.

The Importance of Health Care in the Heartlands

Regardless of where you live, health care is vital to you, your family and the economic health of your region. However, there are big challenges in delivering health care in a province with a population dispersed over a vast expanse of land.

The government has taken many steps to respond to these challenges. It advocated, initiated and executed a 10-point plan over the past two years to try to stem the erosion of health care in the Heartlands.

Success in reforming health care will take time, co-operation and a realistic view of the facts and our goals. Understanding our challenges and working together toward solutions are critical first steps.

Challenge: Staffing and Sustaining Health Care As Needs Grows

We live in an aging society – our fastest-growing age group is those over 90 years of age. And as we live longer, more active lives, our dependence on the health-care system typically rises. What's more, pharmaceutical and medical equipment advances add to growing costs.

There is no reason to think these major pressures on our health-care system will subside. If we want to continue providing other public services like education, transportation and public safety, we will have to recognize the need for change. Ever-increasing budgets alone cannot ensure sustainable, accessible health care across B.C.

Vision: Targeting Resources to Meet Patient Needs Across the Heartlands

The first priority of any health-care system is great people. For health care to be top-quality, every region of the province needs access to top-quality caregivers. To secure and retain them, we must provide not only financial support, but professional and personal support – from education and training to family time.

Beyond ensuring well-staffed facilities in the Heartlands, we must spend smarter. Reduced administration and expanded care options for seniors are just two ways we're freeing up more money for patient care.

To accomplish our goals, we established a health plan for British Columbia. The Picture of Health is a road map to modernize public health care. It supports the vision of high-quality, public health-care services that meet all patients' needs where they live and when they need them. This plan for renewal will lead to:

- Accessible, high-quality, patient-centred and public health care.
- Improved health and wellness.
- Sustainable, affordable health care.

Doctors, Nurses and Health Professionals Make the System

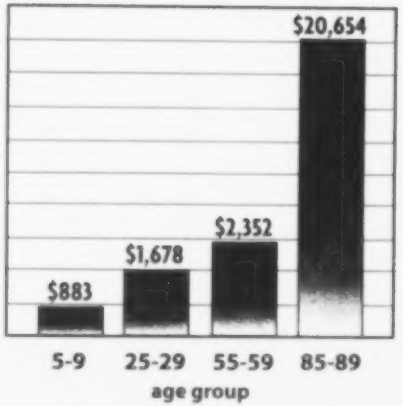
With increasing numbers of retirement-aged professionals and competition from other jurisdictions, B.C. is competing aggressively to train, attract and retain the health-care workers Heartlands communities need.

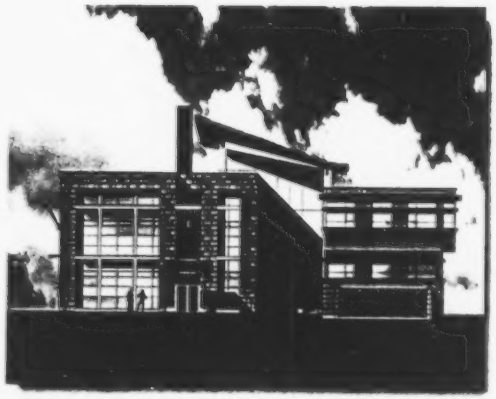
A 23.5 per cent wage hike over three years is putting B.C. nurses among Canada's best-paid nurses, and helped add 538 nurses to the health-care system in 2001-02. The province has also allocated $392 million more for physician services – an average increase of 20 per cent, or $50,000 a year, for each of B.C.'s 7,800 doctors.

In addition, the province has:

- Committed $134 million to almost double B.C.'s medical-school spaces. For the first time in the province's history, doctors will be trained in the Heartlands, at UNBC.
- Introduced a $58.5-million package of benefits and financial incentives to attract doctors to practices in the Heartlands.
- Offered forgivable student loans for new medical and nursing graduates and other health providers who agree to work in rural and remote communities.
- Added 1,266 post-secondary nursing training spaces over the past two years, and will add 547 more this fiscal year.
- Dedicated additional funds to support ambulance services, which provide a critical first line of response in rural and remote areas. B.C. has committed $30 million to add 24 new full-time paramedic positions and increase training for 1,300 rural and remote paramedics.

AN AGING POPULATION REQUIRES MORE CARE





HEALTH SCIENCES CENTRE, PRINCE GEORGE:
In July, construction began on the $12-million home of B.C.'s new northern medical school.

Making Health Care Sustainable

B.C. is not only spending more to meet the health-care needs of the Heartlands. We're also spending more wisely, with a greater focus on direct patient care. We have:

- Reduced the number of health authorities to six from 52, lowering ministry administrative costs by 43 per cent and increasing the authorities' base funding by 10.4 per cent over the last two years.
- Established a new arrangement with the federal government that will put $1.3 billion more of your tax dollars back into patient care in B.C.
- Launched the Fair PharmaCare program to limit the growth of prescription drug costs while ensuring they fall or stay the same for 84 per cent of B.C. families.

Strong, New Measures to Enhance Rural Health

To provide quality care in every region of B.C., the province has:

- Established strong, provincewide standards for patient care and required health authorities to prepare three-year service plans and performance agreements. These measures will ensure British Columbians get top-quality health care regardless of where they live.
- Strengthened acute-care services to patients in rural and remote areas by linking emergency care in community hospitals to specialized care in larger hospitals or regional referral centres.
- Invested in B.C. Telehealth programs like tele-imaging for x-ray, MRI and CT scan diagnosis, to save patients unnecessary travel and foster speedier treatment.

INVESTMENTS TO IMPROVE HEALTH CARE ACROSS THE PROVINCE

Some Heartlands benefits of our plan to improve health care include:

Northeast

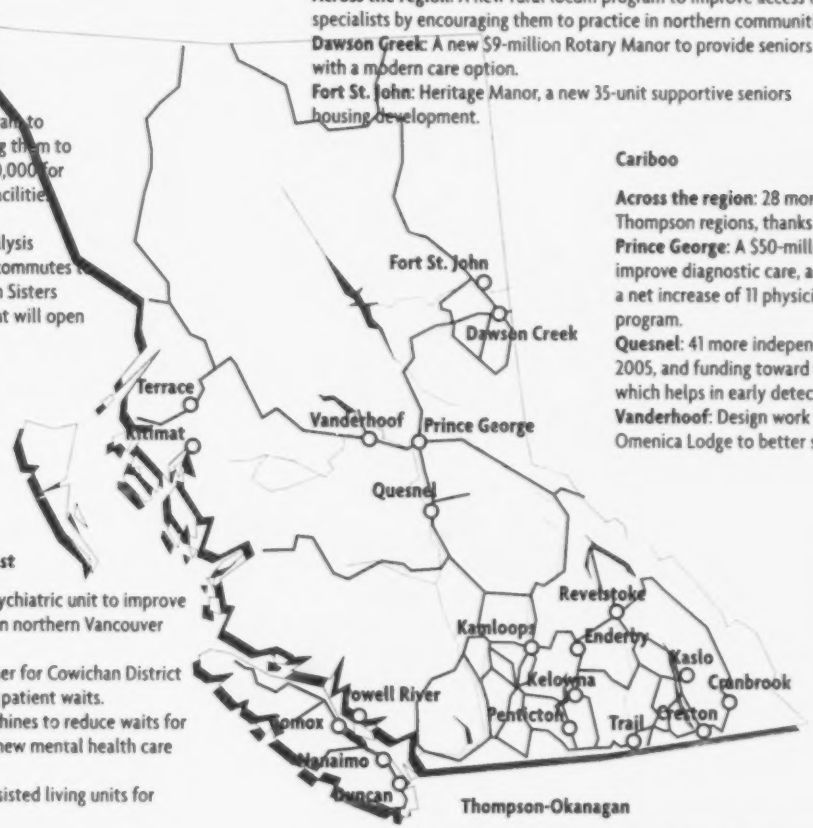
Across the region: A new rural locum program to improve access to specialists by encouraging them to practice in northern communities.
Dawson Creek: A new $9-million Rotary Manor to provide seniors with a modern care option.
Fort St. John: Heritage Manor, a new 35-unit supportive seniors housing development.

Northwest

Across the region: A new rural locum program to improve access to specialists by encouraging them to practice in northern communities, and $500,000 for non-structural seismic upgrades in health facilities across the North.
Terrace: A $1.4-million Northwest Renal Dialysis Expansion, relieving patients from lengthy commutes to Prince George, and a new $2.5-million Seven Sisters Residential Adult Mental Health Facility that will open in 2004.
Kitimat: A new $38-million hospital.

Cariboo

Across the region: 28 more physicians and specialists in the Cariboo and Thompson regions, thanks to aggressive recruitment.
Prince George: A $50-million hospital expansion, a new $3.4-million MRI to improve diagnostic care, a new northern medical school with 24 spaces, and a net increase of 11 physicians, plus 27 nurses through an expanded refresher program.
Quesnel: 41 more independent living and complex care beds for seniors by 2005, and funding toward the Cariboo's first bone mineral densitometer, which helps in early detection of osteoporosis.
Vanderhoof: Design work for a 50-bed, $7.5-million replacement for Omenica Lodge to better serve seniors.



Vancouver Island / Coast

Comox: An expanded psychiatric unit to improve mental health services on northern Vancouver Island.
Duncan: A new CT scanner for Cowichan District Hospital, to help reduce patient waits.
Nanaimo: New MRI machines to reduce waits for diagnostic care, plus 59 new mental health care beds.
Powell River: 20 new assisted living units for seniors.

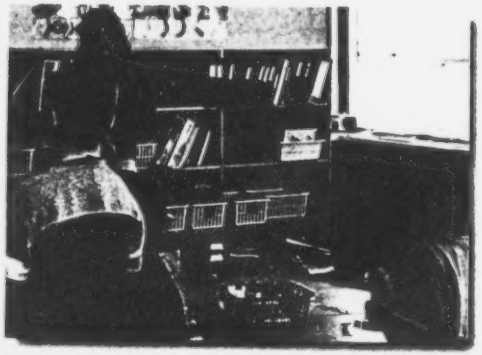
Kootenays

Cranbrook: $2.3 million for five more specialists
Creston: Two new dialysis stations.
Kaslo and Trail: Benefiting from $10 million in upgrades to residential care facilities throughout the region.
Revelstoke: A new $400,000 generator to provide emergency power replacement at Queen Victoria Hospital.

Thompson-Okanagan

Enderby: Funding toward a new $1.27-million primary health care centre.
Kamloops: A new $5-million Tele-imaging system that allows radiologists to read digital images of X-rays from remote locations, and two new 20-bed psychiatric rehabilitation units.
Kelowna: New operating rooms, three new dialysis stations and a permanent new MRI serving up to 20 patients a day.
Penticton: Four new kidney dialysis stations.
Vernon: A new operating room to expand access to surgery.

Education: Preparing Students for Bright Futures



PORT EDWARD ELEMENTARY:
Class-size limits for kindergarten through Grade 3, plus district-wide averages for class sizes in all grades, are now established in law.

UNBC, PRINCE GEORGE:
Expanded technology training facilities and a new medical school will allow more residents of Northern British Columbia to pursue their dreams close to home.

The province is committed to providing a top-notch education system for students of all ages in every community.

Education is Our Economic Foundation

The more we know, the more we can grow as a province – and a responsive, high-quality education system is one of the best ways to improve health care, spur economic growth and support a high quality of life in the Heartlands.

Over the next three years, total education funding, including post-secondary spending, will rise by $173 million to $7.11 billion. The government will also work to maximize spending on relevant, high-quality education.

Challenge: Meeting Skills Shortages to Attract Jobs

As increasing numbers of workers reach retirement age, they are opening up opportunities in many traditional industries and professions. And for many emerging industries, rapid growth has created demand for new skills.

Government must act now to prepare British Columbians for lasting, meaningful employment – particularly where demand is growing.

Vision: Top-Notch Education for Every Learner

Our government is working to ensure our young people get the education they need and the economic opportunities they deserve to build successful futures in their communities.

This goal demands that we protect education funding, strengthening school districts' flexibility and accountability for results, add new post-secondary spaces to meet real-world demands, and keep facilities and faculty on the leading edge of their fields.

More Funding to Meet Students' Needs in Every Region

Even though B.C. had 15,431 fewer K-12 students this year than in 1998, the government has maintained the school system budget at $4.85 billion. In addition, the province has:

- Provided districts with $93 million in one-time funding to address cost pressures over the past two years.
- Committed $143 million more to the education budget by 2005-06. With projected enrolment declines, funding per student will have increased by $583 since 2001-02.
- Provided school districts with three-year funding envelopes to improve long-term planning and budgeting.

Increasing parental involvement to strengthen schools

Studies have shown that strong parental involvement improves education, so the government has:

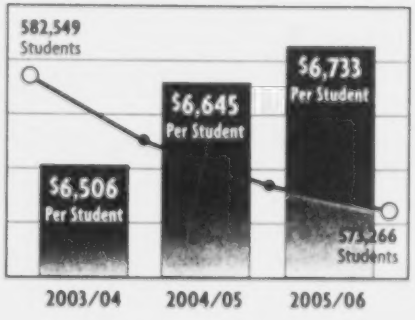
- Established school planning councils that include three parents, to identify students' needs and set clear goals for improvement.
- Passed legislation to guarantee parents' right to volunteer at their children's schools.
- Issued new annual satisfaction surveys that allow parents to provide input and feedback regarding the school system.

Safeguarding Students' Interests

To create and maintain conditions that maximize learning, the government has:

- Set class-size limits for grades K-3, plus district-wide averages for all grades.
- Freed students to attend the school of their choice, as long as space is available.
- Designated education as an essential service, to ensure education continues during school strikes and lockouts.

SPENDING MORE PER STUDENT



INVESTING IN OUR FUTURE IS WORKING

- *A record 77 per cent of Grade 12 students completed high school in 2001-02.*
- *In this year's school survey, 76 per cent of parents indicated they are satisfied with what their child is learning in school, compared to 73 per cent in 2002.*
- *At the 2003 Canadian Skills Competition, 75 per cent of B.C.'s secondary and post-secondary student entrants took home medals – the highest proportion of any provincial team.*
- *B.C. continues to add more resources, even as an enrolment declines. B.C. has 15,431 fewer K-12 students now than in 1998, and it's projected that enrolment will decline by an additional 9,283 by 2006.*

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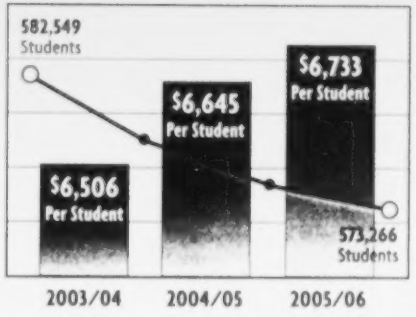

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Improving Preparation for Higher Learning

To prepare high-school students to compete for and succeed in their post-secondary pursuits, the government has:

- Introduced a new graduation program that will allow more courses to count toward graduation – including more innovative, locally developed ones.
- Set new graduation requirements to increase student achievement and better prepare students for life after high school.

Opening More Post-Secondary Spaces Across B.C.

Providing ready access to post-secondary programs can help us keep more young people learning in B.C. and ensure they're qualified and ready to start their careers as quickly as possible. The government has responded where demand is strong, by:

- Opening up 5,854 new student spaces across B.C. in 2002-03 and 2003-04.
- Adding 825 spaces for electrical and computer engineering and computer science, through its $150-million commitment to double the number of graduates in these fields over five years.
- Adding 1,813 nurse training spaces over three years, so that B.C. will be graduating 4,400 nurses by 2006.

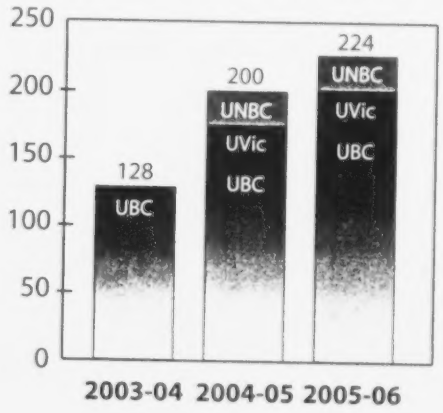
Investing in State-of-the-Art Learning Facilities and Programs

The province has invested more than $900 million to expand post-secondary research, training and innovation across B.C. It:

- Is investing $67 million in 12 new capital improvement projects to expand post-secondary institutions throughout the province, and committed $95 million to expand technology training facilities at B.C. universities.
- Is investing $134 million in an innovative program to expand medical training in B.C.
- Has created a $45-million Leading Edge Endowment Fund to establish 20 leadership chairs in medical, social, environmental and technological research.
- Has launched a $7.5-million B.C. regional innovation chairs program to create new social and economic development opportunities at B.C.'s colleges, university-colleges and institutes.
- Is creating almost 400 new student spaces over the next three years to enhance access to online learning, expanding opportunities for learners across B.C.

INCREASED ACCESS AND OPPORTUNITIES FOR STUDENTS

Doubling medical school spaces – with new training in the Heartlands



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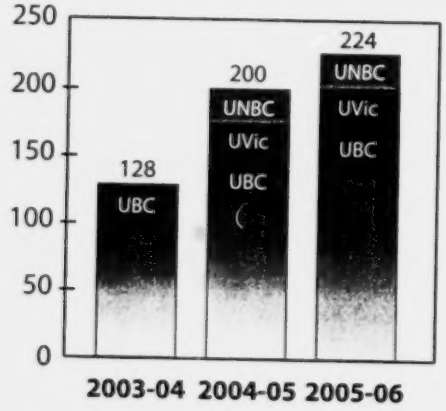


PREPARING BRITISH COLUMBIANS FOR BRIGHT FUTURES

Enhancements the province has made throughout the education system include:

Northeast

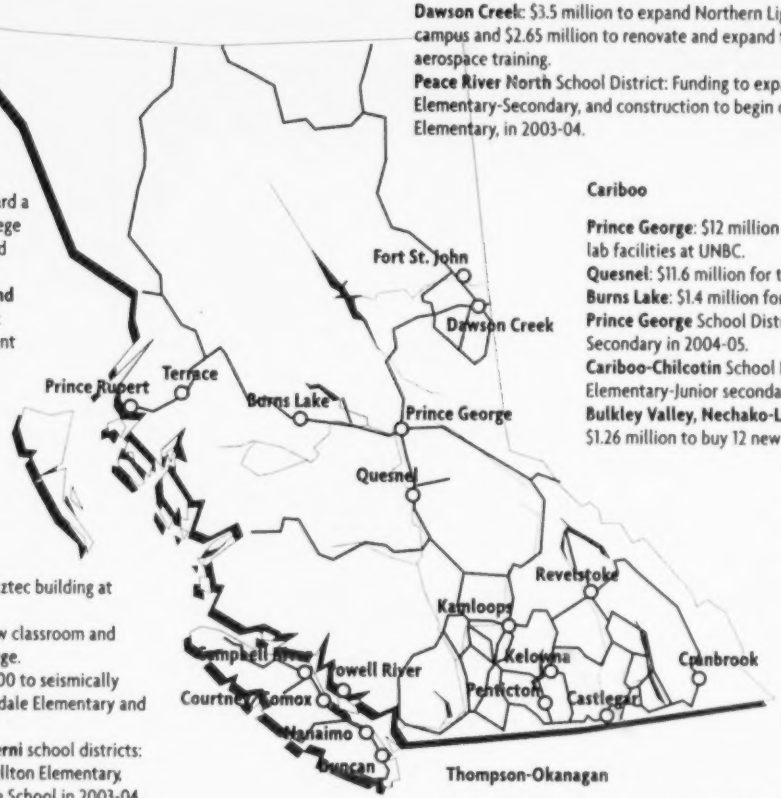
Dawson Creek: $3.5 million to expand Northern Lights College's campus and $2.65 million to renovate and expand facilities for aerospace training.
Peace River North School District: Funding to expand Prespatou Elementary-Secondary, and construction to begin on Duncan Creek Elementary, in 2003-04.

Northwest

Prince Rupert: $11.4 million toward a new Northwest Community College campus, which will replace leased premises.
Prince Rupert, Bulkley Valley and Coast Mountain school districts: $620,000 for new and replacement school buses.

Cariboo

Prince George: $12 million for a new medical school and $6.3 million to expand lab facilities at UNBC.
Quesnel: $11.6 million for the new North Cariboo Community Campus.
Burns Lake: $1.4 million for new classroom space at College of New Caledonia.
Prince George School District: funding to renovate or replace Valemount Secondary in 2004-05.
Cariboo-Chilcotin School District: Funding to renovate or replace Anahim Lake Elementary-Junior secondary.
Bulkley Valley, Nechako-Lakes, Quesnel and Cariboo-Chilcotin school districts: $1.26 million to buy 12 new and replacement buses.



Vancouver Island / Coast

Nanaimo: $21 million toward the new Aztec building at Malaspina University College.
Courtney/Comox: $1.6 million for a new classroom and cafeteria addition to North Island College.
Sunshine Coast School District: $580,000 to seismically upgrade West Sechelt Elementary, Langdale Elementary and Pender Harbour Elementary.
Campbell River, Powell River and Alberni school districts: Funding to renovate or replace Campbellton Elementary, Brooks Secondary and A.W. Neill Middle School in 2003-04.

Kootenays

Castlegar: Almost $1 million to expand Selkirk College's research capacity and enhance campus facilities and programs.
Southeast Kootenay, Kootenay-Columbia, Kootenay Lake and Revelstoke School Districts: Funding to renovate or replace Sparwood Secondary, J. Lloyd Crowe Secondary, Crawford Bay Elementary-Secondary and Revelstoke Secondary in 2005-06.
Southeast Kootenay, Boundary and Kootenay-Columbia School Districts: $922,000 for replacement school buses.

Thompson-Okanagan

Kamloops: $2.2 million for a new Animal Health Technology facility at University College of the Cariboo.
Kelowna: $1.2 million for research projects at Okanagan University College.
Central Okanagan School District: funding to expand Rutland secondary school and renovate/replace Dr. Knox Middle School in 2003-04.
Okanagan-Skaha School District: funding to renovate or replace Penticton Skaha Secondary in 2004-05.
Central Okanagan, Okanagan Skaha, Nicola-Similkameen, Okanagan-Similkameen, Kamloops-Thompson and Gold Trail school districts: $2.2 million for 19 replacement buses.

Forestry: Revitalizing Our Number-One Sector

LOG HOME CONSTRUCTION, LANTZVILLE: *Secondary manufacturing employs 20,000 British Columbians, while forestry directly employs 90,000.*

SKIMIKIN NURSERY, SALMON ARM: *B.C. has created private-sector opportunities by selling government-owned nurseries like Skimikin, which was sold to its employees.*

Forestry supports more jobs, families and communities across the province than any other industry.

Forestry Is Vital to All of B.C.

The forest sector is the single most important contributor to the B.C. economy. With 600 mills across the province, B.C.'s forest industry supports 260,000 direct and indirect jobs in more than 150 communities.

Forestry is important to every British Columbian. It generates one quarter of B.C.'s provincial economic activity and more than a billion dollars in government revenue to support vital public services.

Challenge: Restoring a Struggling Industry

B.C. has some of the world 's most productive forests, skilled forestry workers and advanced manufacturing facilities. But B.C. communities and forest workers have paid the price for overly restrictive regulations, unfair propaganda campaigns and poor resource management.

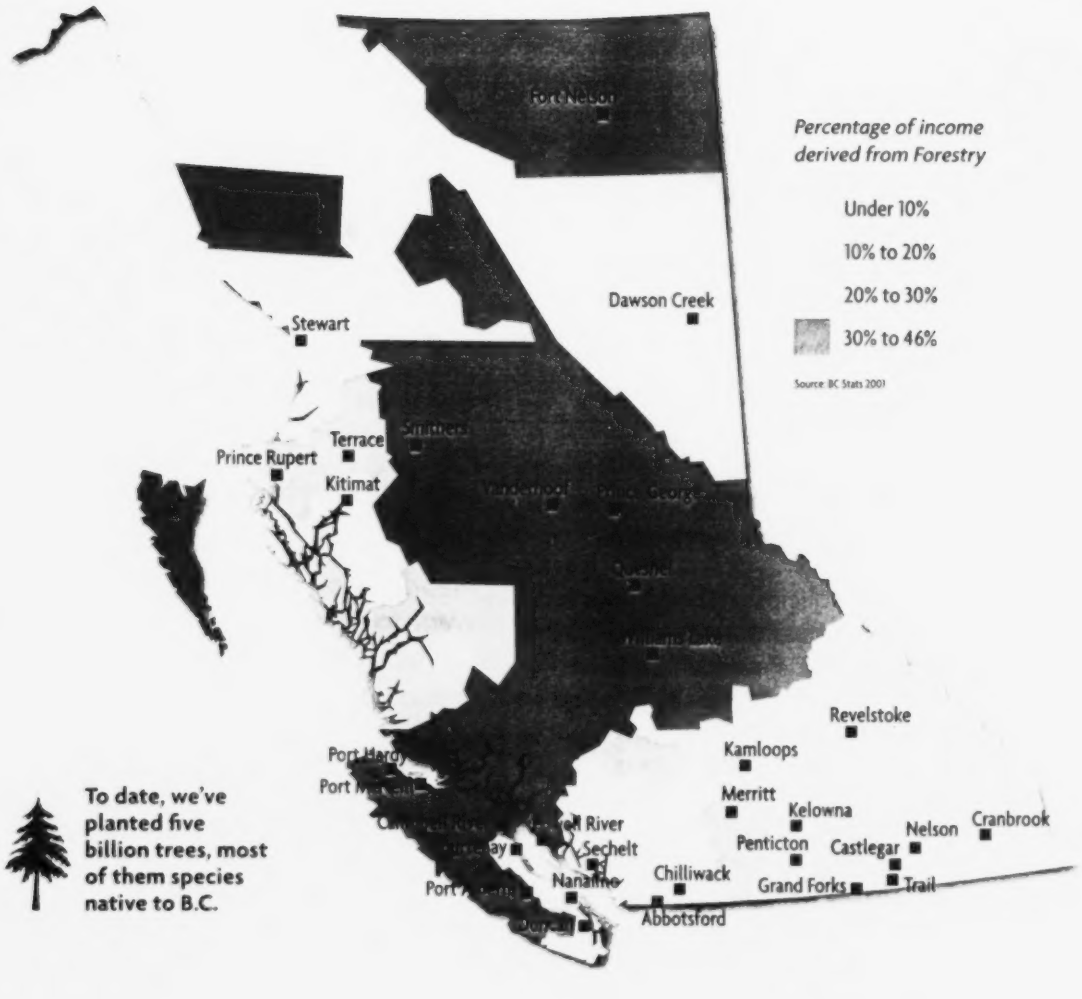
The 1990s were devastating to our forest sector. While our competitors around the world grew, B.C.'s industry lost its competitive edge. Since 1997:

- 26 mills have closed.
- 13,000 forest jobs have disappeared.
- Annual government revenues from forestry have declined by more than $600 million.

Vision: A Thriving, Sustainable Forest Industry

The Forestry Revitalization Plan responds to the challenges faced by B.C.'s forest sector.

In partnership with forest companies, communities, forest workers and First Nations, we are working to ensure a competitive, sustainable forest industry that provides stable, well-paying jobs to support B.C. families well into the future.



To date, we've planted five billion trees, most of them species native to B.C.

Forestry Provides Jobs in Every Region

In over half of B.C., forestry provides more than 30% of families' paycheques.

- **Forestry contributes 25 per cent of B.C.'s gross domestic product.**
- **Forest products account for about half of all B.C. exports – $450 worth of forest products are exported every second.**
- **B.C. is the world's single largest exporter of softwood lumber and accounts for 10 per cent of global wood product exports.**
- **Forestry directly and indirectly supports 260,000 jobs across B.C.**
- **Forestry provides well-paying jobs to support families: the average forestry worker earns about $67,000 a year.**

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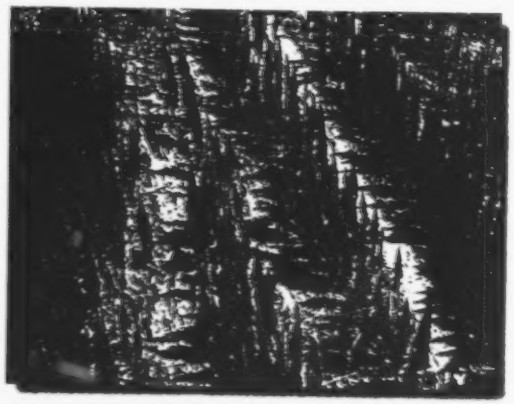
TREE PLANTING NEAR SMITHERS:
B.C. cuts less than one-third of one per cent of its forest lands every year – and plants one tree for every one felled.



STRIP LOGGING, PRINCE GEORGE:
The government has committed $3 million to inform international buyers about B.C.'s excellent forest practices.

Eliminating Regulations That Cost B.C. Jobs

Excessive regulations made it virtually impossible for forest companies to grow and provide stable, lasting jobs. Changes were needed, so:

- Timber is no longer tied to particular mills, so it can be processed where it produces the most value and provides stable jobs.
- The timber pricing system is now more market-sensitive and transparent, helping to ensure timber goes to its best use within B.C.

More Timber for Small Operators and Entrepreneurs

Restrictive forest policies are being reversed. This will increase access to timber and create new opportunities for smaller, innovative local forest companies. Eventually, 45 per cent of the allowable annual cut in B.C. will be available on the open market. That means:

- Almost double the wood for woodlots and community forest licensees.
- Improved access to wood for value-added manufacturers.
- More than double the allowable annual cut currently available to First Nations.

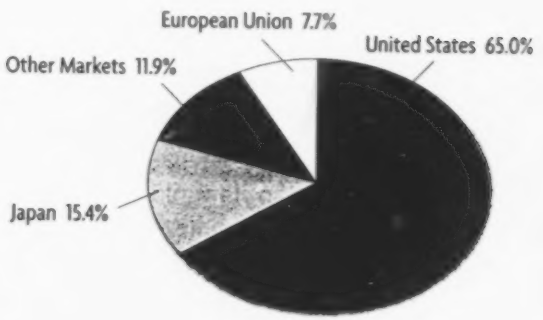
Opening Up New Markets

B.C. exports 90 per cent of its forest products. But in the 1990s, B.C. forest companies faced increased competition from other provinces and foreign competitors. We lost market share and jobs.

The Forestry Revitalization Plan aims to open up strong new market opportunities critical to a growing industry. We are in a global competition and, with discipline and focus, we will win – by thinking of our forest products as value-added opportunities for customers worldwide, not just south of the border. In partnership with industry, we are:

B.C. Must Pursue New Markets

Nearly two-thirds of our forest exports went to the U.S. in 2002.



- Investing $19 million a year to strengthen existing markets, pursue new opportunities and develop new forest products to meet the needs of international customers.
- Working to achieve a fair resolution to the softwood lumber dispute to protect forest jobs for the long term.
- Exploring opportunities for B.C. wood products to be used in facilities for the 2008 Olympics in Beijing as part of a dedicated effort to increase access to the fast-growing Chinese market.
- Partnering with industry on the $12-million Dream Home China project to showcase wood-frame housing using B.C. products and B.C. building technology in Shanghai.
- Requiring that the use of wood products be a crucial component of our 2010 Olympic venues, to show off B.C. engineering, wood products and expertise to the world.

Increasing Certainty to Attract Investment

As we open up timber access and new markets, we are reducing costs and establishing stability and certainty for forest companies and their investors:

- New results-based forest practices maintain environmental protection while reducing costly red tape.
- The working forest land base provides greater certainty, encourages investment and creates new forestry jobs and opportunities.
- New partnerships with First Nations, including $95 million in revenue sharing, will increase certainty and create new jobs for aboriginal British Columbians.

Enhancing Sustainable Forest Practices

Effective forest management will mean our vast forest resource continues to support stable jobs and a thriving industry well into the future:

- $40 million has been committed for forest research to ensure B.C. remains a leader in sustainable forest management.
- The $3-million B.C. Market Outreach Network is giving international customers the facts about B.C.'s leadership in sustainable forest practices.
- An improved Forest Practices Code provides environmental protection backed up by tough penalties for non-compliance, including fines up to $1 million or jail time.

FACTS: B.C.'S LEADING-EDGE FOREST PRACTICES

- *Two thirds of B.C.'s land base is forest land and we harvest only one third of one per cent of our forests each year.*
- *Over half of B.C.'s forest land – 35 million hectares – will never be harvested.*
- *B.C. has some of the most comprehensive and effective forest practices in the world.*
- *We plant 200 million new trees every year – six every second – with more than 5 billion seedlings planted so far.*
- *More than 80 per cent of B.C.'s forests have never been harvested in over 120 years of commercial forestry.*
- *Almost all major forest companies have met or are pursing eco-certification of their products, meeting global demand for sustainably produced wood products.*

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The Power of Energy: New Jobs, Greater Economic Growth

LADYFERN GAS FIELD, NORTHEASTERN B.C.:
One of the largest onshore gas accumulations found in North America in the last two decades, Ladyfern is the site of one of four new gas processing facilities that came onstream in B.C. in 2002.

B.C.'s vast reserves of oil, natural gas, coalbed methane, coal and hydro are a powerful economic force. They offer great potential for sustainable job creation and prosperity provincewide.

A Powerful Opportunity for British Columbians

B.C.'s rich energy resources provide 35,000 direct jobs and supply a growing share of our international exports.

They also support virtually every economic activity in B.C., presenting a true competitive advantage for B.C. businesses.

Much of our energy reserves in the Western Canadian Sedimentary Basin remain untapped:

- New oil and gas potential exists in the Bowser Basin in the Northwest and the Nechako Basin in the Interior.
- B.C. also has a wealth of unexplored offshore oil and gas potential.
- Coalbed methane deposits are found in the Central Interior, the Kootenays, the North and on Vancouver Island.
- Across B.C., there is potential for small hydro, wind, geothermal and solar generation.

Each of these resources creates enormous opportunities for British Columbians in every region of our province.

More Investment, More Exploration

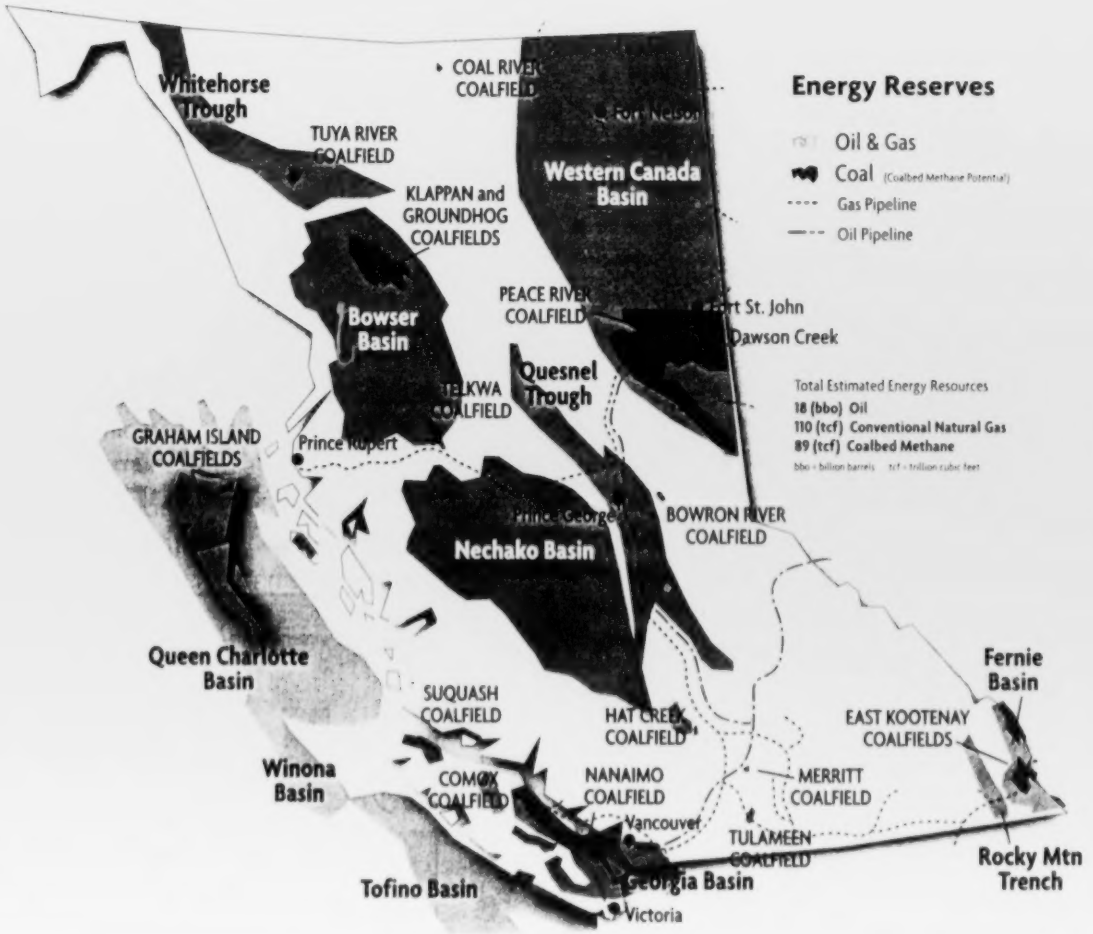
Changes implemented over the past two years have already increased exploration and investment.

- Drilling activity in B.C. is forecast to increase by 46 per cent in 2003.
- The number of oil rigs active in September doubled between 2002 and 2003 to 54.

Vision: Maximizing B.C.'s True Energy Potential

The Energy Plan for B.C. opens up new opportunities for business and investors as we work to attract $24 billion in new energy investment, which will lead to thousands of new jobs throughout the Heartlands.

The Promise of Power: Jobs and Prosperity



B.C.'s energy sector directly employs 35,000 people.

- Oil and gas exploration and production are the largest single natural-resource generator of direct revenue for the province.
- B.C. recorded its largest-ever monthly sale of petroleum and natural gas rights in September 2003, with sales of $418 million – matching the previous record for an entire year.
- The entire energy sector provides more than $3 billion a year in revenue to government to help pay for education, health care and other vital services.
- Energy contributes four per cent of provincial gross domestic product.
- B.C.'s estimated energy reserves include:
  - 115 trillion cubic feet of natural gas.
  - 90 trillion cubic feet of coalbed methane.
  - 18 billion barrels of oil.
  - 23 billion tonnes of coal.
  - Untapped wind, tidal, solar, small hydro and other power alternatives.

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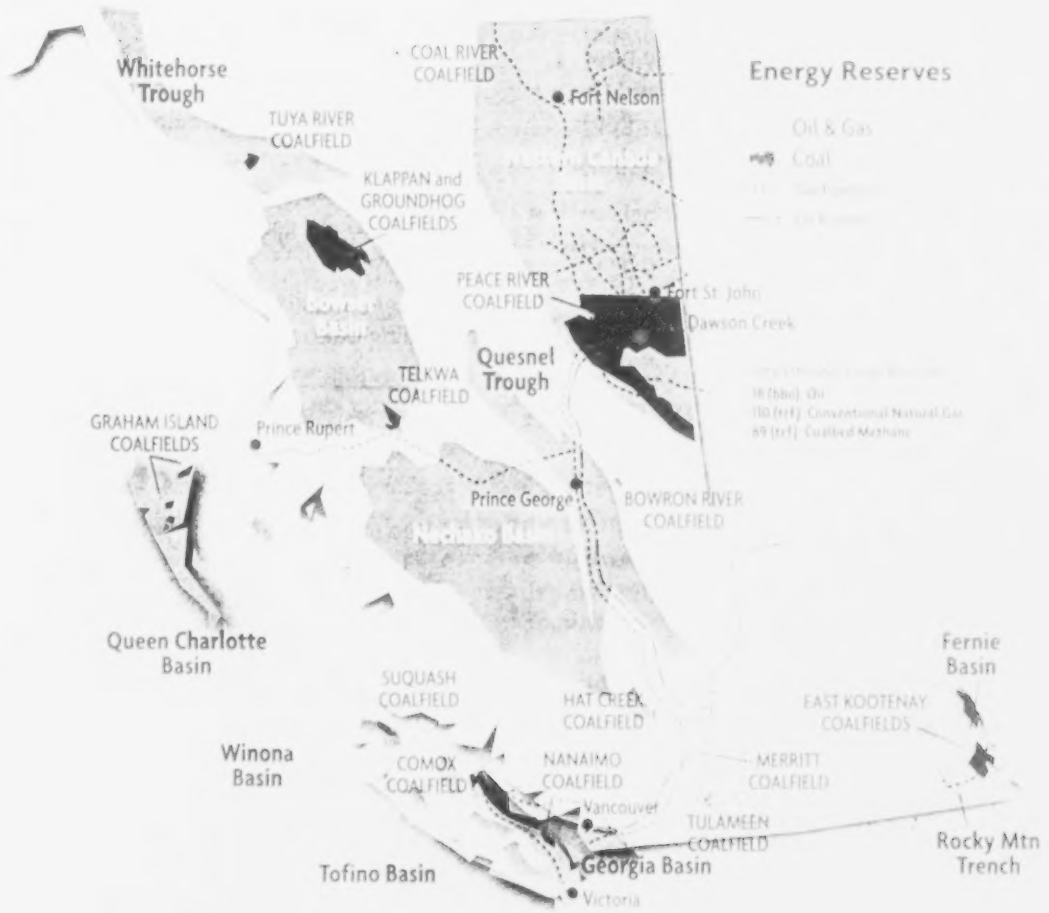

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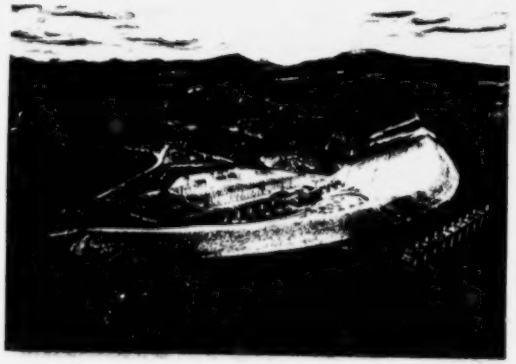


W.A.C. BENNETT DAM, NEAR HUDSON'S HOPE.:
While protecting public ownership of B.C. Hydro's dams and other infrastructure, the province is providing opportunities for independent power producers to develop new energy sources.

Improving Transportation to Increase Exploration

Improved resource roads encourage new investment in exploration and expand the exploration season. New oil and gas fields will be discovered, providing more jobs and revenue.

- $37 million will be invested in the Sierra Yoyo Desan Road near Fort Nelson, providing access to over 27,000 square kilometres of natural-gas-rich terrain.
- $10 million a year in royalty credits is available to encourage construction, upgrading and maintenance of resource roads by industry.

Opening Up Land Access

Expediting land-use planning is helping to encourage new exploration, like the two new pre-tenure plans approved for the Muskwa-Kechika management area. These will allow for exploration of natural gas deposits with an estimated value of $16 billion.

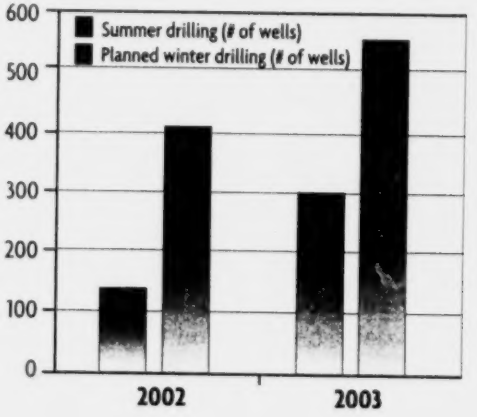
Reducing Costs and Increasing Oil and Gas Production

We are reducing exploration costs by eliminating 31 per cent of permitting fees and improving B.C.'s royalty regime, with:

- A new royalty rate to make low-productivity gas plays more economical to develop.
- Royalty credits to offset the costs of drilling deep wells in mountainous terrain.

B.C.'s Growing Energy Sector:

New royalties are stimulating growth



- Royalty credits to encourage producers to extend drilling into the summer.

Offshore Oil and Gas

Offshore oil and gas offers enormous opportunities for communities in northwestern B.C. and on Vancouver Island.

An independent scientific panel has provided government with recommendations that are now being implemented:

- UNBC is researching scientific and socio-economic issues related to offshore development, with a $2-million grant.
- B.C.'s offshore oil and gas team has begun a process to gather information from coastal communities, environmental groups, First Nations and businesses. The team is also leading fact-finding missions to learn about offshore experiences in other jurisdictions.

Coalbed Methane: A New Resource with Vast Potential

B.C. has some 90 trillion cubic feet of coalbed methane, and pilot projects are underway in the northeast, southeast and on Vancouver Island.

To encourage development of this clean-burning resource, we have:

- Established a new royalty regime, including $50,000 in royalty credits for each well drilled by February 2004, to help offset the cost of developing coalbed methane resources and spur job creation.
- Provided the legal certainty needed to attract investment, by consulting with industry and confirming that ownership of coalbed gas resides with the holder of natural gas rights.

Creating Hydro Opportunities

B.C.'s Energy Plan has four cornerstones: public ownership and low rates; reliable energy supply; increased private-sector opportunities; and environmental responsibility.

- Independent power producers will develop new electricity generation in B.C.
- A new transmission company, separate from BC Hydro, allows independent power producers to access B.C.'s transmission grid so they can sell their power.
- We have strengthened the independent B.C. Utilities Commission, eliminating political interference and ensuring British Columbians pay fair electricity rates.

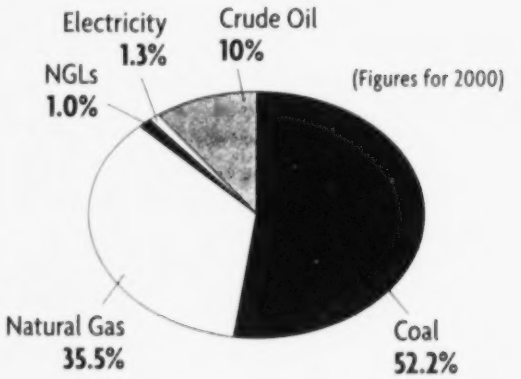
Harnessing Alternative Energy

To help meet B.C.'s future energy needs, we're working to reduce consumption and develop clean alternative sources.

- Policy Action 20 of B.C.'s Energy Plan specifies electricity distributors will pursue a voluntary goal to acquire 50 per cent of new supply from BC Clean Electricity over the next 10 years.

B.C.'s Vast Energy Exports

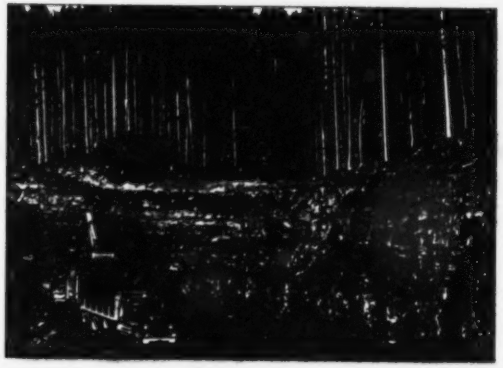
They include more than half our natural gas production and all of our coal.



Mining: Realizing Our Potential, Restoring a Sector

Mining and mineral exploration are second only to forestry in creating jobs in the resource sector.

KEMESS OPEN-PIT MINE, NORTH-CENTRAL B.C.:
Mining provides the highest average wage of all B.C. industries - $89,000 per year.



PINE VALLEY COAL MINE, NEAR CHETWYND:
The new Energy Plan will generate increased development of B.C.'s vast coal and coalbed methane resources.

Immense Promise for Growth

Mining has fuelled economic development in the Heartlands since the Gold Rush nearly 150 years ago – and the province remains rich in mineralization.

In fact, the province has been ranked eighth in the world for potential mineral wealth. Exploiting that potential will build on a sector that already employs thousands.

Challenge: Eliminating Barriers to Exploration

Despite mining's enormous potential, a decade of high taxes, over-regulation, uncompetitive land-use policies and red tape took their toll on the industry:

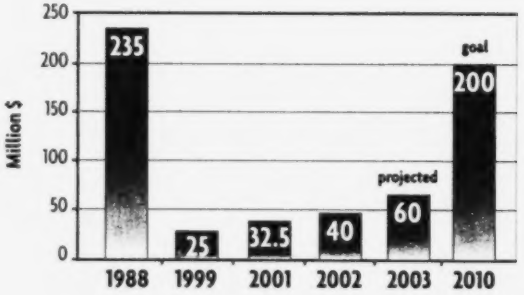
- Mineral exploration dropped almost 90 per cent between 1988 and 1999.
- Through the 1990s, two mines closed for every one that opened.

Vision: Restoring Mining's Traditional Strength

In partnership with industry, communities and First Nations, the province is committed to reinvigorating mineral exploration and building a thriving mining industry.

MINERAL EXPLORATION HAS TURNED AROUND

Its value has more than doubled since 1999



MINING EXPLORATION IS GROWING PROVINCEWIDE

Exploration expenditures are expected to rise by over 50 per cent in 2003

- Mining employs thousands of people and provides the highest average wage of all B.C. industries – $89,000 a year in salary and benefits.
- Mining contributes about 2 per cent of B.C.'s gross domestic product.
- About $3 billion worth of minerals were exported from B.C. ports in 2002.
- Materials mined in B.C. include coal, metals (gold, silver, copper and molybdenum), industrial minerals (sulphur, barite and soapstone) and construction aggregates (clay products, cement, lime, sand, gravel and stone).
- Mining activity affects less than one-third of one per cent of our land base while generating about $4,000 per hour to support government services like health care.

COPPER DISCOVERY IN 2002, SOUTH OF ATLIN:
The value of mining exploration in B.C. has more than doubled since 1999.

TEXADA ISLAND LIMESTONE:
Materials mined in B.C. range from metals like gold and copper to aggregates like lime, sand and gravel.

Investing in Exploration to go from Rocks to Riches

Scientific surveys help boost the exploration investment needed to locate new mines. A recent geophysical survey in southeastern B.C. leveraged $10 in investment for every dollar the government spent on the survey.

The new Rocks to Riches program is investing $2.1 million over two years – in partnership with the federal government, First Nations and industry – to produce geoscience surveys in under-explored areas of B.C.

Improving Land Access to Encourage Exploration

Much of B.C.'s untapped mineral wealth lies under Crown land, for which the province has taken steps to clarify land-use issues and improve access for mineral exploration:

- A new two-zone system for mining land-use increases certainty by clearly identifying what provincial land is open to mining.
- The province has clarified the land-use status of 55,000 hectares that were incorrectly captured within parks in the past, providing certainty that this land is open to exploration.

Reducing Taxes to Boost Investment

Tax-relief measures introduced to increase B.C.'s economic competitiveness include many targeted to the mining industry:

- A 20 per cent flow-through share tax credit that's harmonized with the federal equivalent, and maintaining the existing mineral exploration tax credit, will encourage exploration for new mines.
- Production machinery and equipment used in mining is exempt from provincial sales tax to encourage B.C. mines to invest in the modern equipment needed to remain profitable.
- The corporation capital tax has been eliminated, freeing up capital for reinvestment and job creation.

Cutting Red Tape and Enabling Timely Investment

Unnecessary regulation and slow bureaucratic processes cost mining investors time and money and cost jobs at B.C. mines. In consultation with the industry, we are cutting red tape and removing deterrents to new investment. We have:

- Cut 30 per cent of the administrative components of the Health, Safety and Reclamation Code.
- Made environmental assessment processes more efficient and effective to stimulate investment while maintaining B.C.'s high environmental standards.
- Begun allowing companies to acquire mineral rights online, to reduce costs, improve access to data and increase tenure security.
- Created an MLA task force on mining, which is focusing on ways to bolster B.C.'s mining industry by changing laws, regulations and government policies.

Opening Up Opportunities for Coal

B.C.'s coal resources are estimated at 23 billion tonnes – about 100 times what we need to meet B.C.'s energy needs for the next 120 years.

We are working to expand coal mining in B.C., supporting a valuable export industry with strong job-creation potential. We have:

- Established new, clear emission standards for coal-fired power generation.
- Launched a broad review of the 20-year-old Waste Management Act, to streamline the process for the coal industry.

WORKING WITH INDUSTRY TO CREATE JOBS

As we work with the industry to revitalize mining, communities are seeing results:

- *Following consultation with local communities and First Nations, the province approved a plan to save 950 jobs at Highland Valley Copper near Kamloops and extend mine operations until 2009.*
- *The province also approved the proposed Tulsequah Chief Mine near Atlin, opening up the potential for a $148-million investment and 560 jobs in the Northwest.*
- *As a result of red tape reductions and tax credits, mineral exploration in B.C. increased 25 per cent from 2001 to 2002.*

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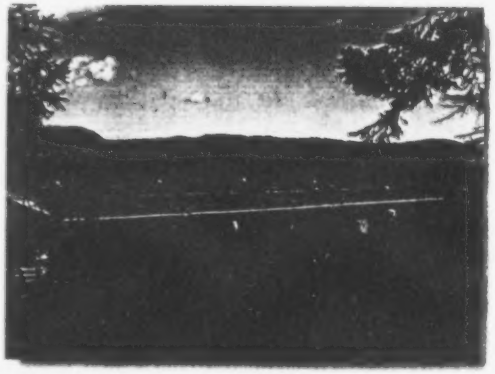
Food Production: Abundant Jobs and Opportunities



MARINE HARVEST FACILITY, SALTSPRING ISLAND:
B.C.'s agriculture and agrifood industry employs about 273,000 people and contributes more than $20 billion a year to the provincial economy.

APPLE ORCHARD, OKANAGAN:
Fruits are among 200 agricultural products for which B.C. is famous.

One in seven British Columbians help to put our world-class food products onto plates around the world.

World-Renowned Products Supporting Local Jobs

B.C. enjoys a worldwide reputation for fresh, safe, high-quality foods, including more than 200 agricultural and 80 marine products that account for more than eight per cent of B.C. exports.

B.C.'s agriculture and food industry generates more than $20 billion in annual sales and supports workers in transportation, packaging, sales and other industries.

Challenge: Maintaining Sustainable Farming and Aquaculture

The Agricultural Land Reserve (ALR) represents five per cent of the provincial land base. But this designation alone has not provided farmers with the certainty and flexibility necessary to maximize the value they obtain from their lands.

For salmon farmers – who produce B.C.'s largest agricultural commodity – uncertainty has taken other forms, including regulatory uncertainty and delays in approval for relocating poorly sited salmon farms. In addition, access to new farms has been constrained.

Vision: Stability and Practices that Maximize Harvests

With new policies and consultation with the industry and communities, we can grow our food-producing sector by maximizing use of our agricultural land base and fostering innovative and environmentally sound aquaculture practices.

The result will be a bright and prosperous future for the communities and families who have, in many cases, made their living from B.C.'s rich land and waters for generations.

Stability for New Opportunities

We are working with farmers to ensure they have opportunities to innovate, expand their businesses and create jobs. We have:

- Strengthened right-to-farm legislation, so farmers are protected from local regulations that could threaten their livelihoods.
- Introduced regulations that allow more farm-related, complementary and value-added activities in ALR.
- Restructured the Agricultural Land Commission so it is regionally responsible and gives communities and local farmers more say in their land use.

Ensuring a Sustainable Aquaculture Industry

To restore certainty to the aquaculture industry, the government has acted on recommendations contained in a salmon aquaculture review completed in 1997:

- Adopted the most comprehensive regulatory regime in the world for salmon aquaculture management.
- Begun relocating salmon farms that are poorly sited due to social or environmental concerns.
- Invested $3.75 million to fund research into aquaculture and the environment and $1.25 million for an independent chair in aquaculture and environment at UBC.
- Supported five pilot projects for alternative technologies like closed containment and land-based tank farms, to encourage innovation and a world-class industry.

Protecting Wild Fisheries and Marine Resources

In addition to tightening regulations governing fish farm waste management and escape management response, the province introduced an action plan to protect wild fish in the Broughton Archipelago.

We are working with the federal government, independent scientists and industry to develop sustainable practices to protect wild salmon and the marine ecosystem while enabling the aquaculture industry to continue to grow and create jobs.

Aquaculture produces one-third of B.C.'s seafood industry revenues.

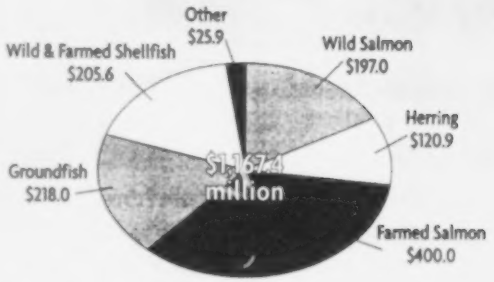
90 per cent of aquaculture-related jobs are located in the Heartlands.

Ninety per cent of supplies and services used in aquaculture are purchased locally.

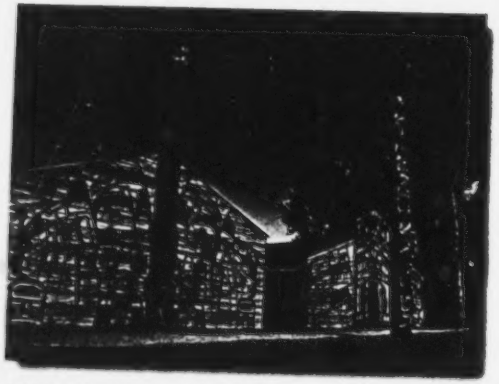
B.C. is the world's fourth-largest producer of farmed salmon.

B.C.'S SEAFOOD WORTH NEARLY $1.2 BILLION

Farmed salmon represented one-third of 2002 wholesale value



Tourism: Opening Up B.C. to the World



K'SAN HISTORICAL VILLAGE:
B.C. is working with communities, First Nations and the private sector to double tourism's value by 2010.

RIVER RAFTING, FRASER CANYON:
B.C. has contributed $500,000 to regional tourism organizations to market Heartlands destinations.

B.C.'s $9-billion tourism industry directly employs more than 114,000 people.

Unlimited Potential for Growth

Our province is known around the world for its spectacular scenery, warm people and unique attractions – all of which have made tourism a growing source of jobs, particularly as interest in outdoor activities, nature, history and cruises expands.

In all, 266,000 B.C. jobs depend directly or indirectly on tourism, which contributes almost $1 billion a year to government.

Challenge: Drawing Visitors in a Competitive Market

B.C. is one of the world's best tourism destinations – drawing over 22 million overnight visitors a year already – but is also affected by global economic challenges.

We recognize the need to work with communities and the tourism industry to create new niche market opportunities and work to sell all that B.C. has to offer.

Vision: Doubling Tourism by 2010

The government is working with communities, First Nations and the private sector to develop new tourism opportunities and meet our target of doubling B.C. tourism by 2010. The industry has the potential to create up to 50,000 new jobs across the province.

Marketing B.C. as an International Destination

We are increasing our investments in tourism marketing to ensure travellers think of B.C. first as a safe destination that offers unbeatable tourism opportunities. We have:

- Responded to the effects of Sept. 11, 2001 on tourism from the U.S. by increasing marketing efforts in nearby regions, such as Washington and California.

- Contributed $1.2 million to regional tourism organizations to market Heartlands destinations, and to help Tourism B.C. promote the province in key markets.
- Aggressively supported and championed B.C.'s successful bid for the 2010 Olympics.

Promoting B.C.'s World-Class, All-Season Resorts

B.C. resorts are gaining increasing international attention, and the province has formed a B.C. Resort Task Force to:

- Work with resort operators, communities and First Nations to promote B.C. as a world-class resort destination.
- Increase jobs and opportunities at B.C. resorts, including ski destinations.
- Help ensure every region gets maximum benefit from hosting the 2010 Games.

Expanding B.C.'s Super, Natural Reputation

We are working to ensure B.C.'s natural environment continues to be the number-one reason tourists travel here from around the world. We have:

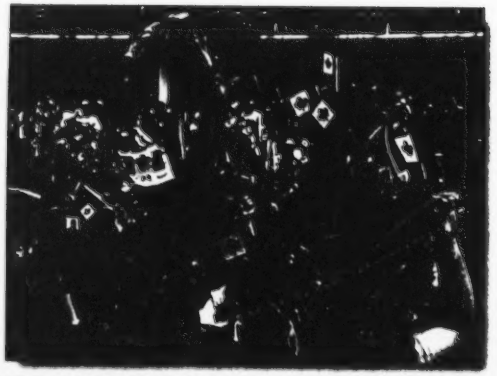
- Worked with the federal government to establish the Southern Gulf Islands National Park, and to create a new national park in the southern Okanagan, to draw visitors to these regions while enhancing environmental protection.
- Established the recreation stewardship plan to open up outdoor recreation opportunities while protecting fish and wildlife habitat.
- Dedicated fee revenues from B.C. parks and fishing and hunting licences to improving park services.

Tourism generated $9.3 billion in economic activity in 2002 and contributed $1 billion to government, helping to fund vital public services like health care and education.

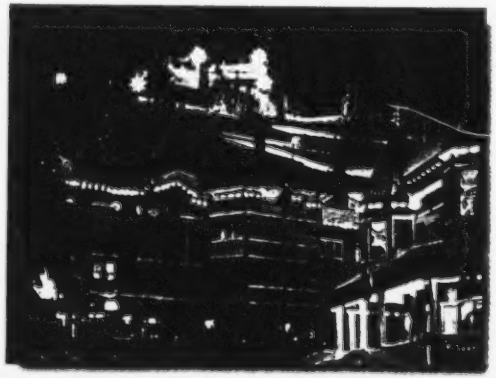
B.C. has 18,000 tourism-related businesses directly employing more than 114,000 people, with a total of 266,000 people working in tourism-related businesses.

B.C. welcomed 22.6 million overnight visitors in 2002.

U.S. travellers account for 25 per cent of all B.C. tourism revenues.



B.C. WINS THE 2010 GAMES:
The province championed the bid to host the 2010 Olympic and Paralympic Games.



SILVER STAR VILLAGE, VERNON:
The 2010 Olympics will showcase B.C. as a world-class tourism destination for the rest of the decade – and beyond.

The Olympics: A Golden Opportunity

On July 2, B.C. was selected to host the 2010 Olympic and Paralympic Winter Games. As a result, B.C. will reap tremendous economic opportunities, including:

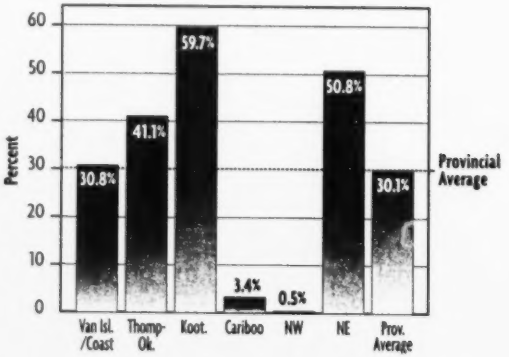
- Showcasing B.C. as a world-class tourism destination to a potential international audience of more than two billion people.
- Creating up to 228,000 jobs in all sectors across the province.
- Generating as much as $10 billion in economic activity across all sectors.

Communities across B.C. have the chance to benefit from the 2010 Games by:

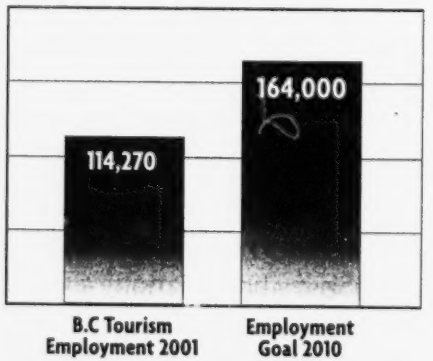
- Hosting pre-2010 training events.
- Encouraging local companies to bid on supplying Games-related products and services, as several B.C. firms did for the 2002 Games in Salt Lake City.
- Capitalizing on increased international exposure to promote local tourism.

2010: BUILDING ON STRENGTH

Tourism room revenue growth by region, 1997-2002



TOURISM: 50,000 MORE JOBS PROJECTED BY 2010



Film: Drawing Production to the Heartlands

Film, animation and television production in B.C. was worth nearly $1 billion in 2002.

Talent Keeps B.C.'s Star Rising

B.C. is the third-largest production centre in North America, after Los Angeles and New York, and is renowned for:

- The nearly 50,000 skilled workers in its TV and film industry.
- Its industry infrastructure, which includes major studios and one of North America's largest special effects stages.
- A diverse range of shooting locations.
- World-class post-production.

Challenge: Stimulating Regional Production

Although talent is portable and shooting locations abound in the Heartlands, most of the work on the 205 productions shot in B.C. last year was in major urban areas.

Bringing a production to a smaller community can result in significant job opportunities and economic impacts.

Vision: A Strong, Provincewide Film Industry

By continuing to support B.C.'s film industry and encourage regional production, we will help generate new jobs and business opportunities in this promising industry.

Enhanced Tax Policy to Attract Productions

To help B.C. maintain its share of production, and to better spread it across the province, the 2003 provincial budget included:

- A new six per cent regional tax credit that will encourage productions to shift shooting to Heartlands locations.
- A new 15 per cent incentive to encourage growth in B.C.'s computer animation and interactive digital media sectors and make B.C. competitive with competing jurisdictions like Ontario and Quebec.
- Renewed film production tax credit programs for another five years, to create new opportunities for economic diversification.

ANIMATION CLASS, KELOWNA:
In Budget 2003, the province introduced a 15 per cent tax incentive to boost the computer animation and digital media sectors.

Opening Up Shoot Locations

To improve knowledge of and access to film locations in every region, we have:

- Committed to streamline access to government facilities for use in films.
- Filled the B.C. Film Commission's digital locations library with Heartlands images.
- Worked in partnership with regional film commissions to help them market their locations and attract regional productions.

High Tech: Building Our Innovation Economy

BROADBAND BROADCAST SITE, NEAR BARKERVILLE:
B.C. is working to bridge the "digital divide." Four out of five British Columbians will have the ability to access high-speed Internet by the end of 2003.

Nearly one quarter of B.C.'s more than 5,400 high-tech companies are located in the Heartlands.

High-Tech Jobs are Multiplying

In 2001, employment in B.C.'s technology sector increased at more than twice the national rate and almost four times the rate of overall employment growth in B.C. From the Okanagan's Silicon Vineyard and beyond, over 45,500 British Columbians work in the sector.

Our competitive business climate, skilled workforce and strong communications infrastructure have contributed to the success of B.C.'s innovative companies.

Challenge: Connecting With Industry Needs

Continuing the growth of B.C.'s technology industry and ensuring all regions benefit will depend on:

- Maintaining a competitive business climate that promotes investment and access to venture capital.
- Supporting innovative research at B.C.'s post-secondary institutions and training more skilled technology workers.
- Providing strong, affordable, high-speed communications provincewide.

Vision: A World-Class Technology Centre

By building new partnerships between government, post-secondary institutions and industry, we are acting on our commitment to make B.C. one of the top ten technology centres in the world and a global magnet for high-tech investment and job opportunities.

Competitive Taxes That Promote Investment

We are encouraging the growth of B.C.'s high-tech companies by reducing taxes and increasing access to the venture capital they need to innovate and succeed. We have:

- Increased venture capital tax credits by $5 million, to attract up to $17 million a year in new investment in the new media industry.
- Increased tax credits under the labour-sponsored venture capital program by $4 million, and amended legislation, to improve access to venture capital for emerging companies.
- Eliminated the PST on machinery and equipment used in software development.

Supporting Research and Training

B.C. is investing $900 million to support leading-edge learning facilities and more spaces in high-tech programs, including:

- $150 million to double the number of computer science and computer and electrical engineering graduates over five years, including funding for almost 80 seats at Heartlands post-secondary institutions.
- $7.5 million for six B.C. Regional Innovation Chairs at university colleges, colleges and institutes.
- More than $3.3 million to improve research infrastructure at Heartlands post-secondary institutions.

Bridging the Digital Divide

Ensuring affordable, high-speed Internet access provincewide will open up global marketing and other opportunities in every community. As a first step in our commitment to extend high-speed Internet access to every B.C. community, four community-led pilot projects have been launched, including:

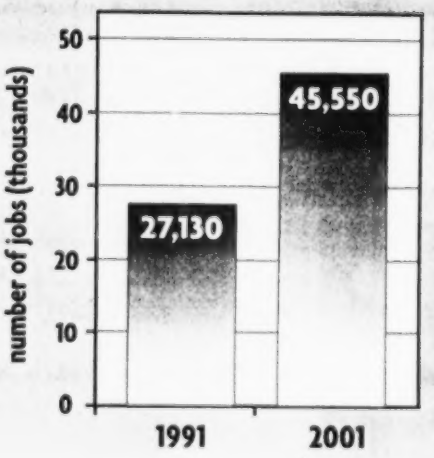
- A network that, in its final phase, will make fibre-optic connections available to every home in Kamloops.
- Better Internet connections for all 17 schools in School District 20, and a system that will eventually connect homes and businesses in Castlegar, Rossland, Robson, Trail and other area communities.
- A high-speed fibre network that will connect all four Nisga'a communities, improving access to health, education and other services while creating network-related jobs.
- A partnership with a Tahsis cable supplier that will support initiatives such as marketing of local ecotourism opportunities.

In a recent survey, British Columbians picked the high-tech sector, more than any other industry, as the top contributor to B.C.'s future economy.

B.C. is the most connected province in Canada: 72 per cent of British Columbians and 76 per cent of small businesses use the Internet.

HIGH TECH, HIGH GROWTH

68 per cent more jobs over 10 years



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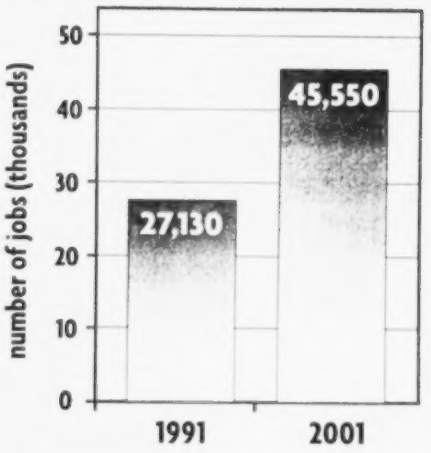


Small Business: B.C.'s Top Source of Jobs

DOWNTOWN KAMLOOPS:
Between 1996 and 2001, the Thompson-Okanagan, which includes Kamloops, had 13 per cent of B.C.'s small businesses.

Nearly half of B.C.'s employees work in this growing sector, which pays nearly one-third of B.C.'s wages.

Small Business Supports Every Community

Whether restaurants, value-added wood producers, corner stores or high-tech companies, the 347,900 small businesses in communities across B.C. provide:

- 58 per cent of all private-sector jobs.
- A third of all wages paid to B.C. workers.
- A third of B.C. exports.

The success of small businesses is essential to maintaining economic growth and job creation in every region.

Fueling More Jobs and Growth in Small Business

Lower taxes, less red tape and other government efforts to enhance job creation have begun to pay off. In 2002, the number of B.C. small businesses rose 3.1 per cent – the first increase since 1998 – and this year, B.C. job growth has continued to outpace the Canada-wide average.

Continuing these trends will require vigilance in maintaining a competitive tax and regulatory system that encourages investment and lets small business do business.

Vision: A Thriving Private-Sector Economy

Small businesses represent 98 per cent of all businesses in B.C. By providing low taxes and eliminating unnecessary red tape, we will ensure that small businesses realize their full potential as the cornerstone of a thriving private-sector economy.

Lower Taxes to Encourage Entrepreneurship

We have made B.C.'s tax regime more competitive than ever.

- A total of 27 tax-relief measures will save B.C. businesses and consumers $1.25 billion.
- The threshold for the small business income tax has been increased by 50 per cent, to $300,000 from $200,000, to support growing companies.
- Changes to legislation and increased tax credits mean small businesses have more access to venture capital for expansion.
- Increased tax credits available under labour-sponsored venture capital programs, worth $4 million, will help to generate up to $27 million a year in new investments.

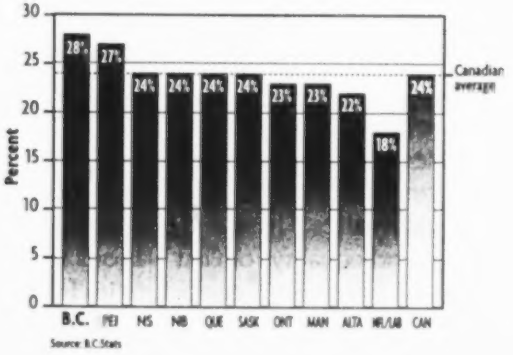
Cutting Red Tape to Unleash Opportunity

Red tape is costly – especially for the 83 per cent of small businesses that employ fewer than five people. To ensure B.C. is competitive, we have:

- Eliminated more than 70,000 regulatory requirements as we work to cut red tape by one-third within three years.
- Expanded the OneStop Business Registration program to allow more small businesses to complete government forms online, saving them time.
- Implemented flexible work schedules that reflect the needs of small businesses and their employees.
- Reduced the daily minimum call-out from four hours to two, allowing employers and employees to maximize their earnings during busy periods.
- Introduced the first-job wage to encourage employers to hire young workers with little or no job experience.

B.C. IS CANADA'S LEADER IN SMALL BUSINESS

Small Business as a percentage of provincial GDP, 2001



In 2002:

Small businesses employed an estimated 952,900 British Columbians, providing almost half of all B.C. jobs.

The sector accounted for almost 98 per cent of all B.C. businesses.

Women owned and operated almost 37 per cent of small businesses in B.C. – the second-highest rate of ownership by women in the country.

Small businesses accounted for 95 per cent of high-tech employers, whose sector saw the fastest net growth in new small businesses.

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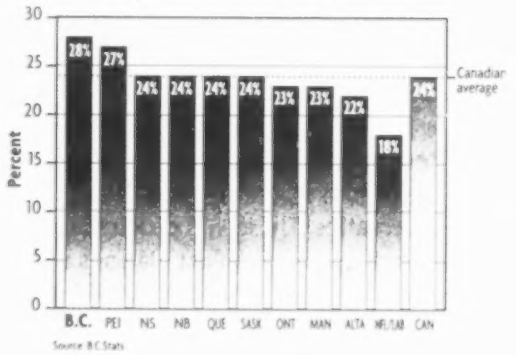

Source: B.C. Stats

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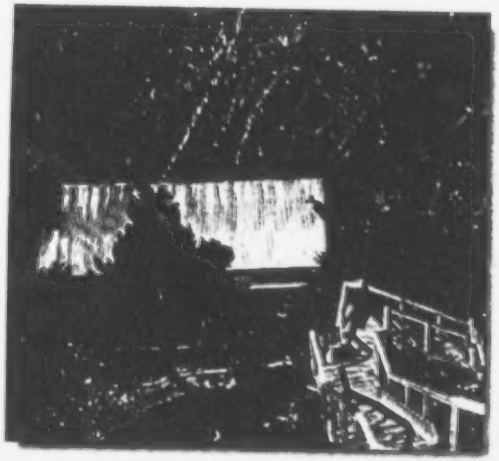
First Nations: A New Relationship to Strengthen Opportunities



MASCOT MINE SITE, HEDLEY:
Site stabilization work by the Upper Similkameen Band – the first step in opening this mine site to tourism development – is part of one of 113 projects the $40-million Economic Measures Fund has supported to date.

Treaties and other economic measures will help to improve the lives of B.C.'s aboriginal people.

Greater Certainty Will Benefit Everyone

Nearly three-quarters of B.C.'s 170,025 aboriginal people live in the Heartlands.

The province is committed to building a new relationship with First Nations that allows aboriginal British Columbians to fully participate in the benefits of a stronger economy. Increasing land use certainty will also enhance investment and job creation in Heartlands communities – benefitting the entire province.

Challenge: Creating Certainty Through Treaties

For over a decade, treaty negotiations in B.C. have been stalled. The government is committed to revitalizing and fast-tracking the process and negotiating workable, affordable treaties. These will provide certainty and equality for First Nations and open up new economic opportunities for all British Columbians.

Vision: Prosperity Shared With All British Columbians

While treaty negotiations continue, the province is working to increase economic opportunities for First Nations now and materially improve their quality of life, both on and off reserve.

Ultimately, these measures will help build a new relationship with First Nations that benefits all of us.

Advancing Treaty Negotiations

The government has instructed provincial negotiators to take bold steps to advance treaty negotiations based on negotiating principles that flowed from a provincewide referendum. This approach is already yielding results:

- In the past two years, almost $1.8 million has been committed to 38 treaty-related measures – plus $500,000 to 17 interim measures in the government's first year.

- B.C. and the federal government have signed two agreements in principle, which will form the basis of final treaties with the Prince George-area Lheidli T'enneh First Nation and five Maa-nulth First Nations on the west coast of Vancouver Island.
- Three other First Nations – Tsawwassen, Sliammon and Snuneymuxw – are currently ratifying their agreements in principle.

Supporting New Economic Opportunities

As we continue to make progress at the treaty table, we are also providing the resources needed to ensure First Nations share equally in a stronger economy and help build a prosperous future for all British Columbians:

- The $40-million Economic Measures Fund supports First Nations' business opportunities related to oil and gas, tourism, forestry, aquaculture and the 2010 Olympic and Paralympic Winter Games. To date, $25 million has been committed to 113 projects.
- The Forestry Revitalization Plan includes a commitment of $95 million in revenue-sharing for First Nations interested in pursuing forestry opportunities.
- Agreements signed with the Treaty 8 First Nations will streamline reviews of proposed oil and gas developments that benefit First Nations, industry and northern communities.
- The First Citizens Fund will be doubled to $72 million by April 2004 to support economic development opportunities for aboriginal people, such as new business advisory services in Fort St. John and Cranbrook.

Creating Opportunities for Aboriginal Youth

We are working with post-secondary institutions and First Nations communities to establish new training programs that can help aboriginal youth overcome barriers to meaningful, lasting employment. We have:

- Provided $1.3 million for post-secondary aboriginal education and training.
- Established training to help young people develop leadership and skills in sports, recreation and adventure tourism.

$275,850 for the Ditidaht and Pacheedaht First Nations to establish a forest training program and pursue a timber licence.

$375,000 for the Nuu-chah-nulth Tribal Council to develop skills to launch a new shellfish operation.

$530,000 for the Huu-ay-aht First Nation to revitalize abalone shellfish aquaculture in Bamfield.

$600,000 for the Shuswap First Nation's water reservoir and distribution system to support expanded residential and commercial development in Invermere.

$75,298 for a partnership between the Guide Outfitters Association of British Columbia and First Nations in northern B.C. to train aboriginal students to work as assistant guides.

Transportation: Improving B.C. as a Global Gateway

KICKING HORSE CANYON:
Safety concerns and this route's importance as a gateway have made it B.C's number-one transportation priority.

New jobs and investment depend on revitalizing our transportation network.

Keeping B.C.'s Economy Moving

B.C.'s transportation network sustains 44 per cent of the province's gross domestic product and supports almost one million jobs directly or indirectly. The sector employs almost 25 per cent more people than forestry, agriculture, fishing, oil and gas combined.

Almost every industry in B.C. relies on our transportation network to get their goods to markets across the province and around the world. The more reliable and efficient we can make that network, the more competitive every sector in every community will be.

Challenge: Improving Our Network to Support Growth

To grow as a gateway – to the U.S., Asian markets and the rest of Canada – B.C. must meet the growing transportation needs of business and an increasing population.

Maintaining and improving our highways, alleviating congestion, and strengthening the capacity and integration of our entire network will help exporters, tourism operators and other businesses to compete, and make B.C. more attractive to investors.

Vision: Integrated, Efficient, Safe Transportation

We have laid out a comprehensive transportation strategy that will provide the infrastructure needed to support increased trade, improve access to resources, expand tourism and develop new business. Importantly, this plan takes a pay-as-we-go approach to ensure transportation improvements are affordable and sustainable.

Our goal is a transportation system that moves goods, services and people safely, quickly and economically through every region of the province.

A PLAN TO OPEN UP OUR TRANSPORTATION NETWORK

Provincial investment over three years, by region

The percentage of Heartlands side roads estimated to be in good condition has dropped to 34 per cent from 66 per cent 10 years ago. The province's plan will ensure 43 per cent are in good condition three years from now.

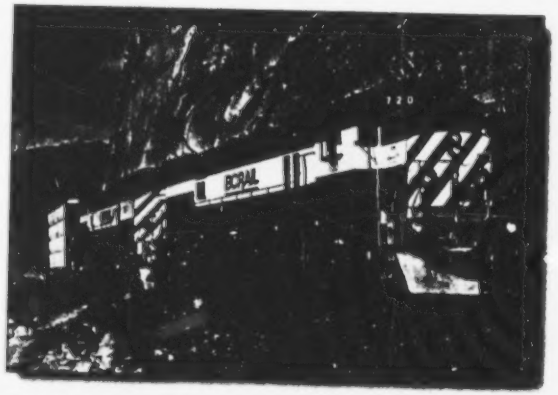
It costs $65,000 to resurface one kilometre of highway after 12 years of use – but the cost rises to $400,000 if the same stretch is left for just eight more years.

Border delays now cost B.C. truckers an estimated $60 million a year.

The government's transportation plan will create an estimated 17,500 direct person-years of employment in construction and operations alone.

B.C. spends more each year on transportation than it collects in provincial fuel taxes.

PORT OF PRINCE RUPERT:
Expanding this facility is part of a $30-million investment in ports and airports.



BC RAIL TRAIN IN THE ROCKIES:
Revitalizing B.C. Rail and integrating it into the continental network is critical to many Heartlands communities.

Safer, Better Maintained Roads

The province's plan will see significant provincial investment in transportation improvements over the next three years, including:

- Over $1.1 billion for transportation infrastructure – more than two-thirds of which will go toward rehabilitating and improving highways, rural side roads and oil and gas roads in the Heartlands.
- $923 million for major highway corridors, including $649 million in the Heartlands.
- $137.3 million to improve key international and interprovincial border crossings and related corridors.

Paying As We Go

Rather than adding to public debt, the government will fund these significant improvements with revenue from those who will benefit from them, and ensure those benefits are maximized in all regions:

- B.C. is now the only province in Canada to dedicate fuel-tax revenue to transportation improvements – $650 million over three years.
- A renewed Canada-B.C. Partnership is leveraging federal investment in priority projects, including $225 million in new federal funding for B.C. roads and border crossings secured to date.
- Eight regional transportation advisory committees will help set transportation priorities and ensure funding maximizes regional benefits.

Integrated, Sustainable Rail

In consultation with northern mayors and industry, we are implementing a new partnership to revitalize BC Rail and ensure sustainable service for northern communities. This partnership will provide:

- Public ownership of BC Rail's rail beds, railway rights-of-way and tracks.
- More competitive rates.
- A better-integrated network and improved ability to export B.C. products.
- New private-sector investment for capital improvements like rail cars and loading facilities.
- No new public debt and no further risk to taxpayers.

Better Ferry Service for Coastal Communities

In April 2003, BC Ferries became the independent BC Ferry Services, operating with a vision to become a world-class transportation system that is highly customer-focused and financially viable.

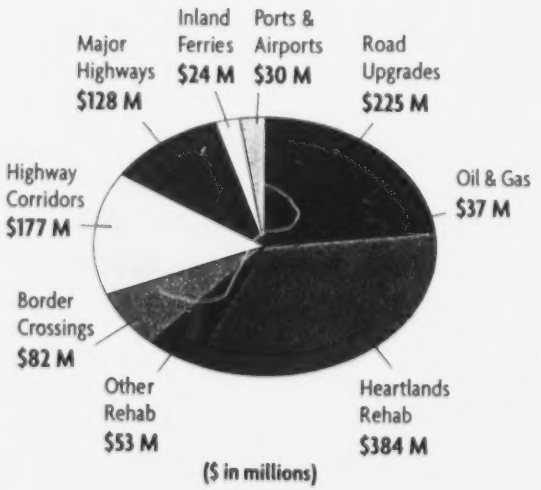
Under the direction of the new BC Ferry Authority – modelled after the successful Vancouver Airport Authority – BC Ferry Services will deliver improved service, guaranteed service levels, fair rates, increased economic development, ongoing accountability and no new public debt.

Stronger Global Connections to Support Economic Growth

Our airports and ports are critical transfer points that help to make B.C. a gateway for growing trade and tourism. To build their capacity, the province is committing $30 million over three years to airport and port improvement projects, including:

- A major expansion of Cranbrook Airport to accommodate non-stop air services to and from Europe, increasing tourism opportunities in the Kootenays.
- Expanded port facilities and a new cruise ship terminal in Prince Rupert to further open up B.C.'s northern port to trade and tourism.

$1.1 BILLION TO OPEN UP HEARTLANDS TRANSPORTATION


Major Highways $128 M
Inland Ferries $24 M
Ports & Airports $30 M
Road Upgrades $225 M
Oil & Gas $37 M
Heartlands Rehab $384 M
Other Rehab $53 M
Border Crossings $82 M
Highway Corridors $177 M
($ in millions)

IMPROVEMENT PRIORITIES

Kicking Horse Canyon
Investment: $670 million
Trans-Canada Highway improvements through the Rockies are the province's number-one transportation priority, due to safety concerns and the route's importance in making B.C. a gateway.

Lake Okanagan Bridge, Kelowna
Investment: $100 million
This project will ease congestion on the busiest stretch of highway in B.C.'s Heartlands.

New Bridge Across Lower Arrow Lake at Needles
Investment: $30 million
This new link will provide a primary connection between the growing south Okanagan and Kootenay regions, strengthening transportation and opening up tourism.

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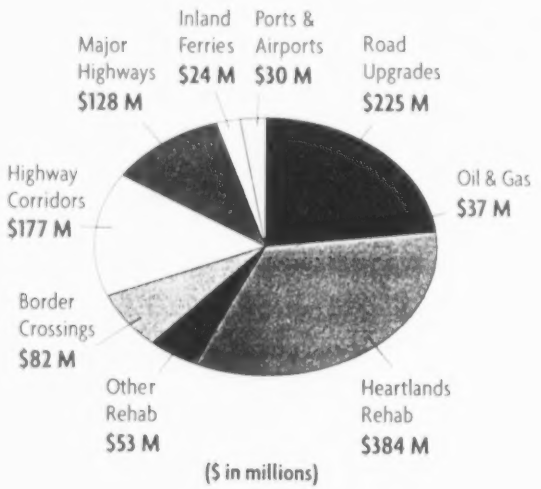
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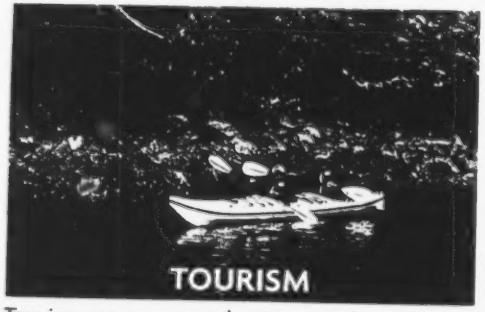
VANCOUVER ISLAND/COAST

Top Sectors



Tourism room revenue has increased more than 30 per cent in the region since 1997.

A growing aquaculture industry provides 3,500 jobs in coastal communities.

The Forestry Revitalization Plan will help ensure stable jobs and a bright future for coastal forestry.

Vancouver Island and the South Coast of B.C. remain highly dependent on the forest industry that helped build communities all along the coast. A revitalized coastal forest sector – combined with ever-increasing opportunities in sectors such as tourism, aquaculture and energy – will ensure a bright future for the region.

More Opportunities for Vancouver Island/Coast Communities

Forestry

- Better access to timber and new opportunities for value-added, small operators and forest workers to help build a more sustainable coastal forest sector.
- New forestry opportunities for First Nations, like the invitation extended to the Ditidaht and Pacheedaht First Nations to apply for a 300,000-cubic-metre timber-sale licence.
- Access to a $75-million fund to help forest workers make the transition to revitalized forest industry.

Agriculture, Fisheries and Aquaculture

- More certainty for farmers through a more regionally responsible Agricultural Land Commission that gives communities more say in land use.
- More jobs and investment in aquaculture with the removal of the moratorium on fish farms and implementation of strong, scientific regulations to ensure sustainable growth.

Tourism

- A new national park in the Gulf Islands, developed in partnership with the federal government.
- Increased tourism marketing through the $1.25 million in new funding for provincial and regional tourism promotion.
- Funding for the Campbell River Indian Band's proposed new cruise ship terminal.

Film

- $40,000 in funding for Vancouver Island film commissions to help attract more production and create new jobs.
- Regional film production tax credits to encourage more productions to film outside Victoria and Vancouver.

Mining

- New mining investment and jobs attracted by tax relief and reduced red tape.
- Increased opportunities for mineral exploration thanks to updated regulations and new funding for new geoscience surveys.

Energy

- New jobs and economic opportunities through the development of coalbed methane resources, with a test project already underway on Vancouver Island.
- An environmentally sound offshore oil and gas industry, creating jobs and attracting investment to coastal communities by 2010.

Transportation

- A revitalized coastal ferry service offering improved service to support economic growth.
- $71 million in upgrades over three years, including $26 million in improvements to Highways 1, 4 and 19.

Key Facts

- Population: 443,429
- Percentage of B.C. population: 10.7%
- Percentage of B.C. landmass: 10.5%
- Employment: 180,200
- Percentage of B.C. Employment: 9.1%

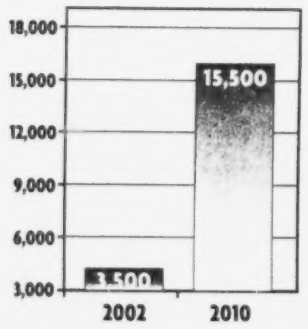
Key Opportunity: Aquaculture

B.C. is already the world's fourth-largest producer of farmed salmon, and the industry provides 3,500 jobs in coastal communities.

Science-based regulation will support the growth of a sustainable aquaculture sector and with the potential to create 12,000 new jobs.

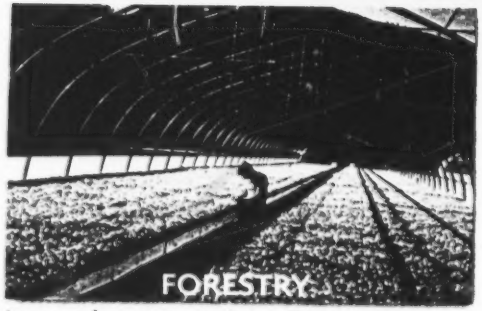
Creating Jobs in Coastal Communities

Potential Aquaculture Job Growth

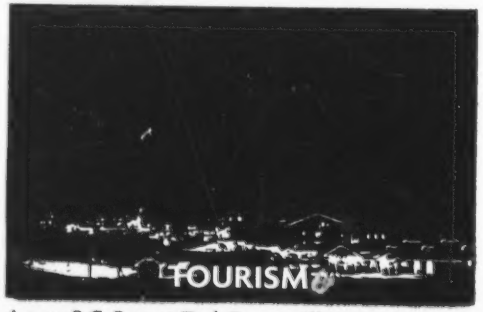


THOMPSON-OKANAGAN

Top Sectors



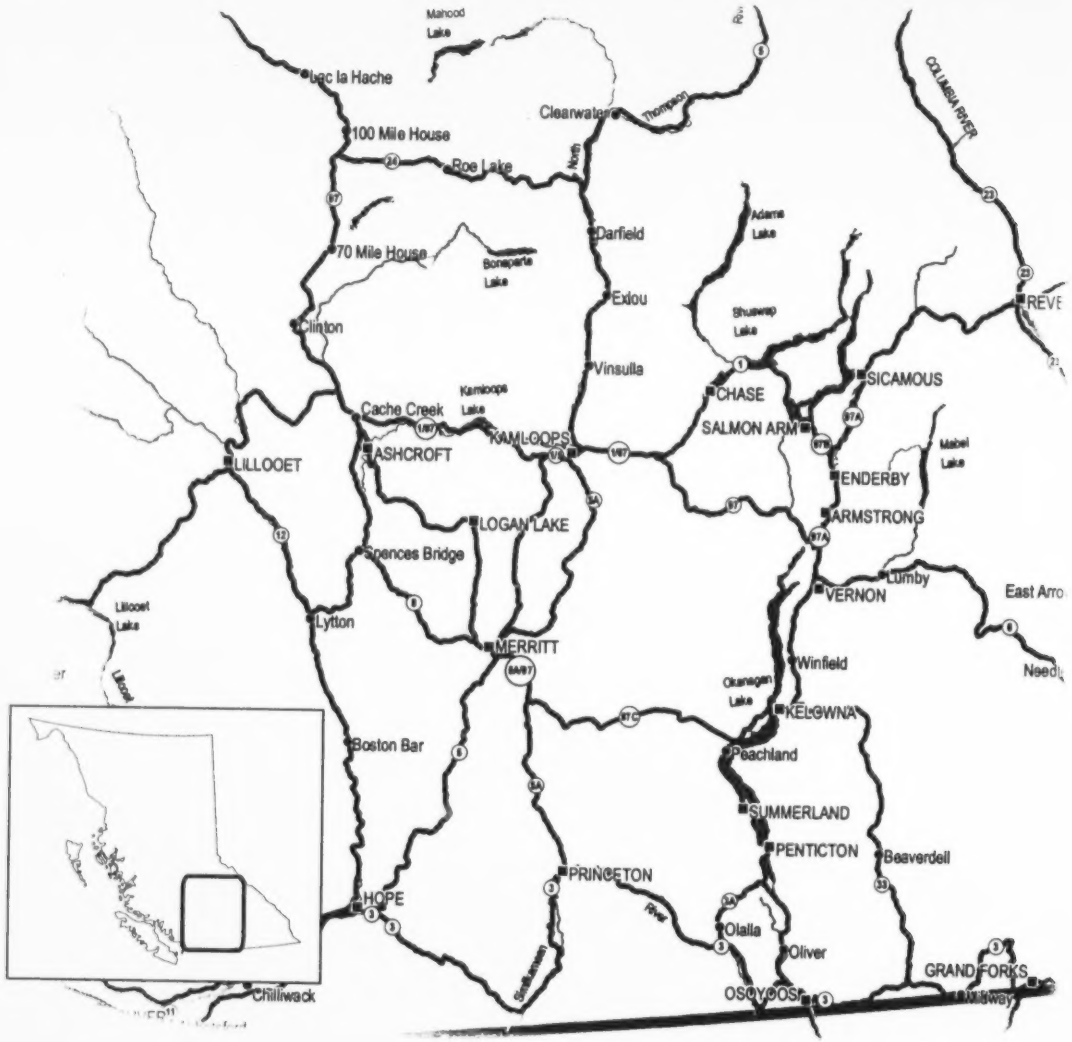
Improved access to timber will create new opportunities for small operators and First Nations in the Thompson-Okanagan



A new B.C. Resort Task Force will maximize the potential of local resort communities.

New regulations open up opportunities for value-added activities on agricultural land.

From productive orchards and wide-open ranch lands to world-class resorts and the innovation of a growing technology sector, the future is bright in the Thompson-Okanagan. The province is working with local communities to build on these strengths, as well as encouraging new mineral exploration and renewed prosperity for the forest industry to create new jobs across the region.



More Opportunities for Thompson-Okanagan Communities

Forestry

- Better access to timber and new opportunities for value-added and small operators with 45 per cent of the annual harvest eventually available on the open market.
- More stable, long-term forestry jobs because timber will be allowed to flow to where it can produce the most value.
- More forestry jobs for First Nations through initiatives like the community forest pilot agreements signed with the Westbank First Nation and the Cheslatta Carrier Nation.

Tourism

- Increased tourism marketing through the $1.25 million in new funding for provincial and regional tourism promotion.
- A B.C. Resort Task Force to promote all-season growth and job creation at resorts like Silver Star, Sun Peaks, Big White, Eight Peaks, Saddle Mountain and Apex.
- Jobs and economic benefits generated by the 2010 Winter Games.

Film

- $40,000 in funding for the Thompson-Nicola and Cariboo-Chilcotin Film Commissions to help attract more production and create new jobs.
- Regional film production tax credits to encourage more productions to film outside Victoria and Vancouver.

Mining

- Increase mineral exploration thanks to a new two-zone mining land use designation and $2.1 million for new geoscience surveys.
- An innovative plan approved by the government will protect 950 jobs by helping extend operations at the Highland Valley copper mine until 2009.

Agriculture

- A $60-million partnership with the federal government to help producers strengthen their businesses and expand skills development opportunities.
- A more responsive Agricultural Land Commission that includes representatives from the Thompson-Okanagan to ensure regional priorities are addressed.

Transportation

- $335 in transportation improvements over the next three years, including $147 million for the Highway 97 corridor.
- Replacing the Okanagan Lake Bridge at Kelowna, at an estimated cost of $100 million.
- $670 million in upgrades to Highway 1 through the Kicking Horse Canyon.

Key Facts

- Population: 739,538
- Percentage of B.C. population: 17.9%
- Percentage of B.C. landmass: 11.5%
- Employment: 318,300
- Percentage of B.C. Employment: 16.1%

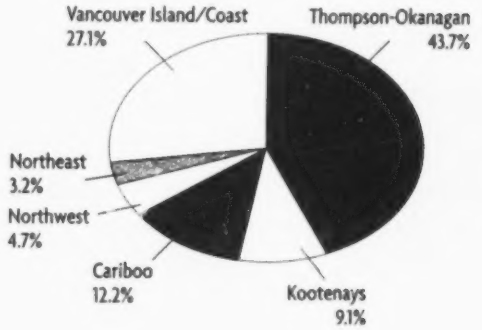
Key Opportunity: High-Tech

The Thompson-Okanagan is home to the third-largest cluster of technology companies in the province and almost 44 per cent of the high-tech firms outside Victoria and Greater Vancouver.

Through targeted tax relief and investments in post-secondary education, the government is working to expand high-tech growth in the Thompson-Okanagan.

B.C.'s Silicon Vineyard

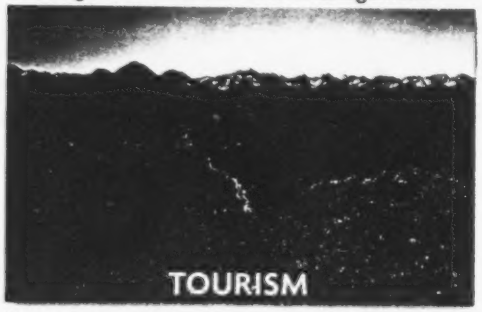
The Thompson Okanagan is home to most of the 1,200 high-tech companies in the Heartlands.



Top Sectors

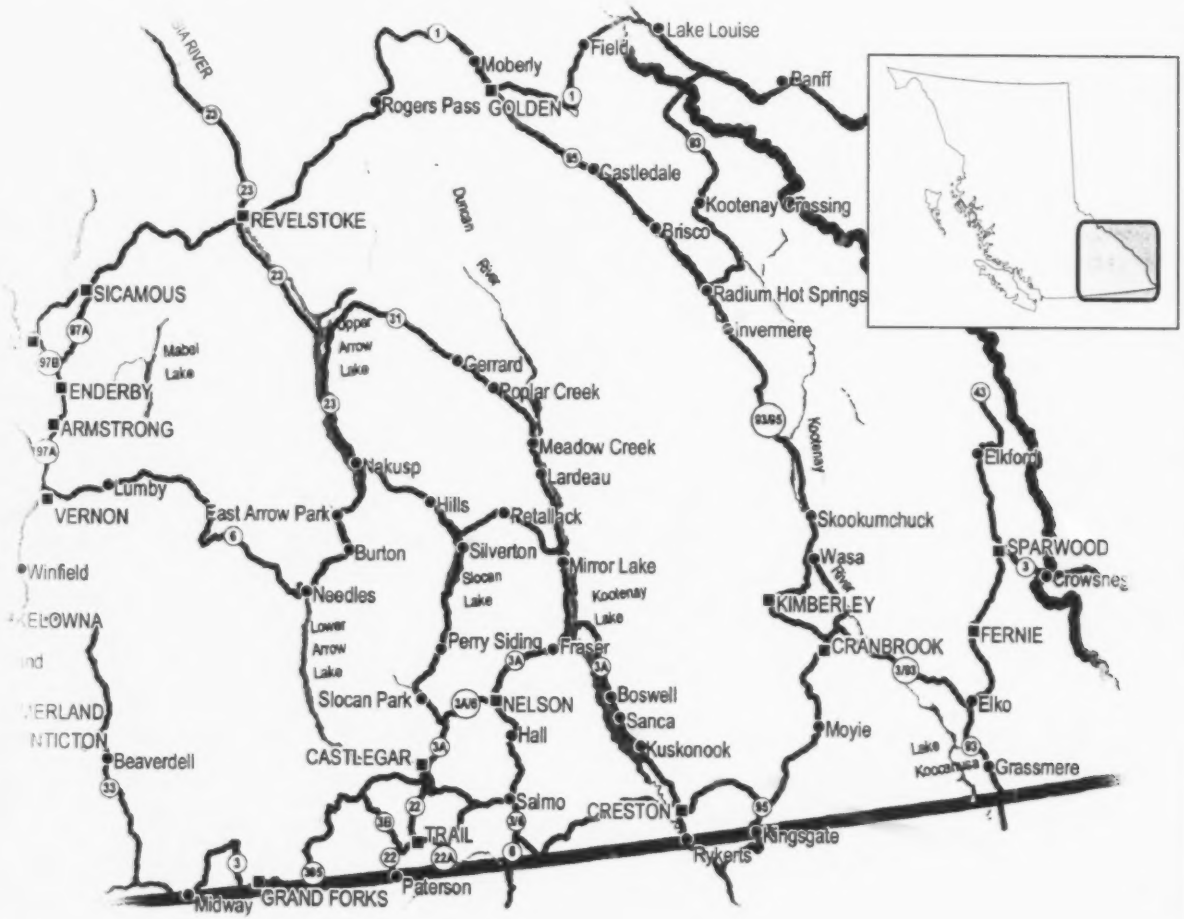
A new two-zone land-use designation provides the certainty needed to attract new mineral exploration and investment

The new forest practices code encourages greater innovation by industry while enhancing B.C.'s high-standards for forest management.



New transportation investments will open up increased tourism opportunities in the province's fastest-growing tourism region.

From international ski resorts to mines that ship coal around the world, the Kootenays are rich in natural beauty, resources and opportunities. The province is working to ensure Kootenay communities realize their full potential through transportation investments that will open up the region to increased tourism, and by developing new opportunities – like coalbed methane – that will create new jobs and economic prosperity.



More Opportunities for Kootenay Communities

Mining

- New two-zone mining land-use system clearly identifies what land is open to mining and what is not, helping provide the certainty needed to encourage new investment.
- 20 per cent flow-through share tax credit and other tax relief initiatives will support industry growth and job creation.
- $2.1-million Rocks to Riches program will provide geoscience surveys that help investors identify potential new mines.

Forestry

- Better access to timber and new opportunities for value-added and small operators with 45 per cent of the annual harvest eventually available on the open market.
- An MLA committee will help restructure the small-scale timber salvage program to create new opportunities for forest workers and communities.
- New forest opportunities for First Nations, like the invitation extended to the Ktunaxa Kinbasket Tribal Council to apply for a five-year community forest pilot agreement.

Agriculture

- A more responsive Agricultural Land Commission that includes local representatives to ensure regional priorities are addressed.

Energy

- New, clear emission standards for coal-fires power generation encourage use of domestic coal resources from mines like those in the Kootenays.
- 150 jobs created with a $204-million investment to develop a 120-megawatt Brilliant power plan expansion near Castlegar.
- New jobs and economic opportunities with the development of coalbed methane potential in the Kootenays.

Tourism

- Increased tourism marketing through the $1.25 million in new funding for provincial and regional tourism promotion.
- A B.C. Resort Task Force to promote all-season growth and job creation at resorts like Kicking Horse, Panorama, Kimberley Alpine Resort, Fernie Alpine Resort, Red Mountain, and Whitewater.
- Jobs and economic benefits generated by the 2010 Winter Games.

Transportation

- $243 million in transportation improvements over three years.
- An expanded Cranbrook airport to accommodate direct flights from Europe.
- A new bridge at Needles connecting the Kootenays to the Okanagan.

Key Facts

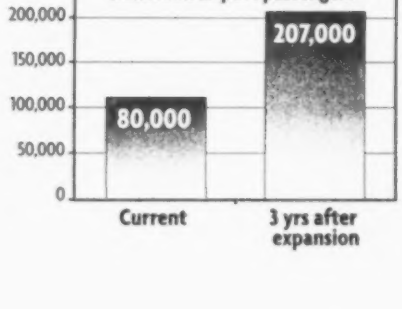
- Population: 152,491
- Percentage of B.C. Population: 3.7%
- Percentage of B.C. landmass: 6.5%
- Employment: 68,300
- Percentage of B.C. Employment: 3.5%

Key Opportunity: Tourism

The Kootenay region has the fastest-growing tourism sector in B.C., with a 60 per cent increase in tourism room revenue since 1997.

Through the B.C. Resort Task Force and strategic investments in transportation infrastructure, the province is working to maximize tourism growth in the region and ensure it makes the most of opportunities like the 2010 Winter Games.

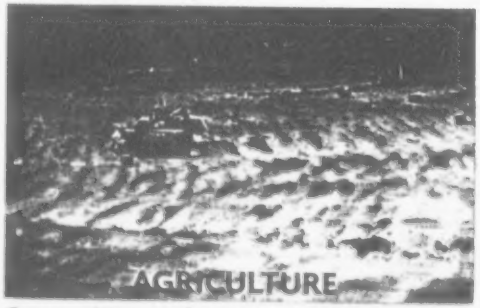
Expanding Cranbrook Airport to boost visitor volumes



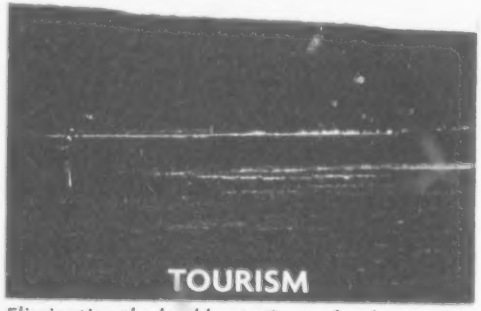
CARIBOO

Top Sectors

Aggressively marketing B.C.'s forest products will create new export opportunities for Cariboo forest companies.

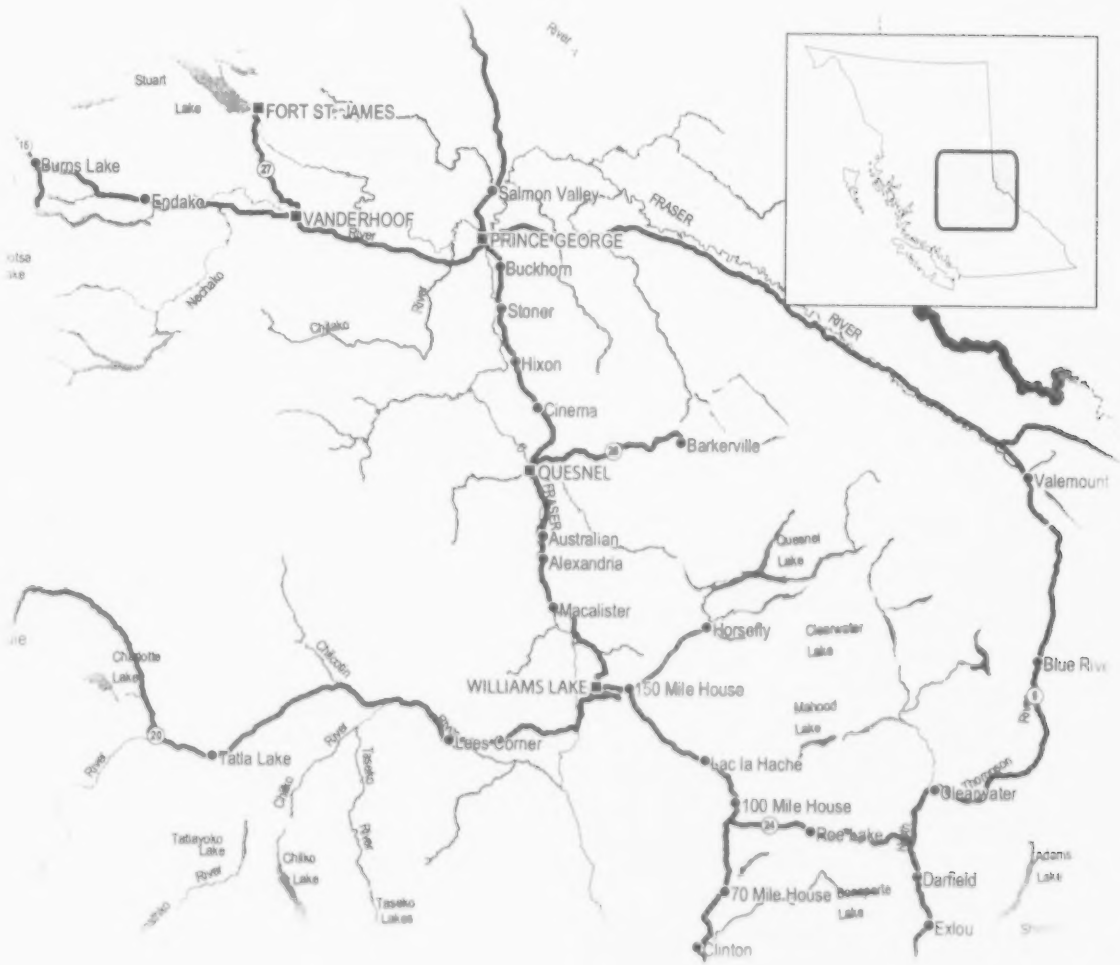


Communities now have more input on agriculture issues through a more responsive Agricultural Land Commission.



Eliminating the backlog in Crown land tenure applications supports new tourism opportunities in the Cariboo.

The diverse geography of the Cariboo continues to support a well-established agricultural sector. As we work with communities and the industry to revitalize the forest industry in the region – especially in dealing with the mountain pine beetle infestation – the province is also encouraging new economic opportunities in mineral exploration and tourism development.



More Opportunities for Cariboo Communities

Forestry

- Better access to timber and new opportunities for value-added and small operators with 45 per cent of the annual harvest eventually available on the open market.
- An MLA committee will help restructure the small-scale timber salvage program to create new opportunities for forest workers and communities.
- Support for value-added opportunities with Forest Innovation Investment funding for the Advanced Technology Centre at University College of the Cariboo to research and develop new furniture and other products.
- More opportunities for First Nations, including funding from the Economic Measures Fund to help the Esketemc First Nation create new forest jobs in the Williams Lake area.

Agriculture

- A $60-million partnership with the federal government to help producers strengthen their businesses and expand skills development opportunities.
- New regulations allowing farm-related and value-added activities in Agricultural Land Reserves to open up new economic opportunities.
- A more regionally responsible Agricultural Land Commission.

Tourism

- Increased tourism marketing through the $1.25 million in new funding for provincial and regional tourism promotion.
- A B.C. Resort Task Force to promote growth and job creation at ski destinations like Canoe near Valemount and other all-season resorts throughout the region.
- Jobs and economic benefits generated by the 2010 Winter Games.

Transportation

- $114 million in transportation infrastructure improvements over the next three years, including $10 for upgrades on Highway 20.
- Sustainable freight rail service to support economic growth while maintaining public ownership of BC Rail railbeds, rights-of-way and tracks.

Film

- Funding for the Cariboo-Chilcotin Film Commission and the Prince George Film Commission to help attract more production and create new jobs.
- Regional film production tax credits to encourage more productions to film outside Victoria and Vancouver.

Key Facts

- Population: 169,924
- Percentage of B.C. Population: 4.1%
- Percentage of B.C. landmass: 13.5%
- Employment: 81,900
- Percentage of B.C. Employment: 4.2%

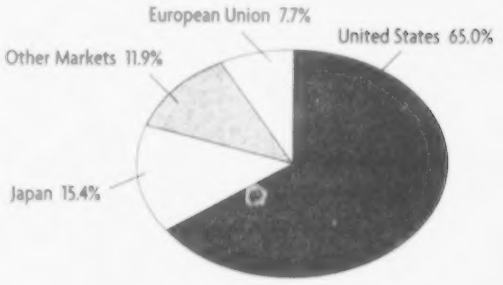
Key Opportunity: New Markets for Cariboo Forest Products

The Cariboo is one of the most forest-dependent regions in the province.

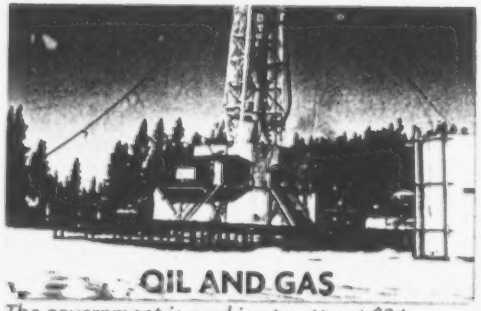
To ensure a bright future for Cariboo communities and forest workers, the government is keeping its commitment to aggressively promote B.C. forest products in new and emerging markets like China.

B.C. Must Pursue New Markets

Nearly two-thirds of our forest exports went to the U.S. in 2002.



Top Sectors

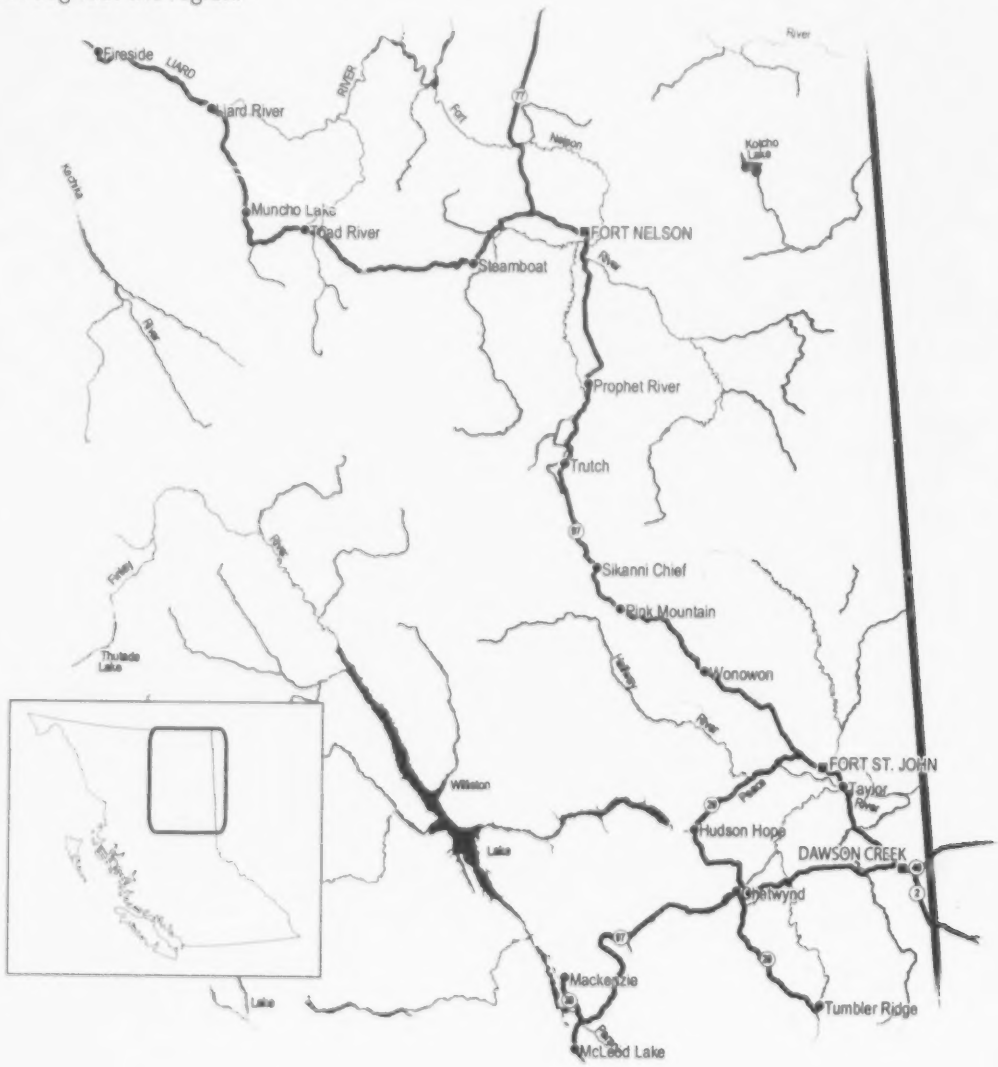


The government is working to attract $24 billion in new investment and 8,000 new oil and gas jobs.

The new Energy Plan will generate increased development of B.C.'s vast coal and coalbed methane resources.

The Forestry Revitalization Plan will help provide stable job opportunities at B.C. mills.

Continued growth in B.C.'s booming oil and gas industry is bringing a range of economic opportunities to the Northeast region. Attracting new investment in oil and gas, while expanding opportunities in forestry, mining and tourism, will ensure a strong economic base for job creation throughout the region.



More Opportunities for Northeast Communities

Energy

- New jobs in the oil and gas sector as the government works with industry to generate $24 billion in new energy and mining investment and 8,000 new energy sector jobs.
- More land-base certainty and opportunities for First Nations through initiatives like the commitment of $1.9 million to further Treaty 8 First Nations' participation in the oil and gas industry.
- Jobs and business opportunities through the development of the region's coalbed methane resources.
- New, clear emission standards for coal-fires power generation encourage use of domestic coal resources from the coalfields of the Northeast.
- Pre-tenure plans in the Muskwa-Kechika management area will allow exploration of natural gas deposits with a potential value of $16 billion.

Forestry

- Better access to timber and new opportunities for value-added and small operators with 45 per cent of the annual harvest eventually available on the open market.
- More stable, long-term forestry jobs because timber will be allowed to flow to where it can produce the most value.
- $95-million in revenue sharing to develop First Nations forest opportunities across B.C., including in forests in the Northeast.

Transportation

- $153 million for transportation infrastructure improvements over the next three years, including $37 million to improve roads supporting the oil and gas industry.
- $10 million annually in royalty credits toward construction and maintenance of resource roads.
- A public-private partnership to cost-share $38 million in upgrades to the Sierra Yoyo Desan Road.

Tourism

- Increased tourism marketing through the $1.25 million in new funding for provincial and regional tourism promotion.
- A B.C. Resort Task Force to promote growth and job creation at ski destinations like Powder King near Chetwynd and other all-season resorts throughout the region.
- Jobs and economic benefits generated by the 2010 Winter Games.

Key Facts

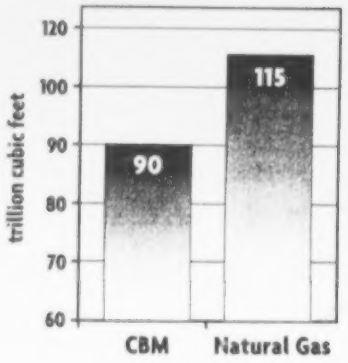
- Population: 65,128
- Percentage of B.C. Population: 1.6%
- Percentage of B.C. landmass: 21.5%
- Employment: 33,400
- Percentage of B.C. Employment: 1.7%

Key Opportunity: Coalbed Methane

The coalfields of the northeast hold great potential as sources of ultra-pure coalbed methane. Seven of the nine coalbed methane experimental projects already underway in B.C. are in the northeast.

Development of Coalbed Methane Will Create Jobs

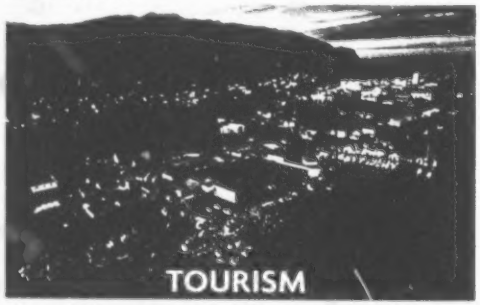
Estimated Coalbed Methane and Natural Gas Reserves in B.C.



NORTHWEST

Top Sectors

The Forestry Revitalization Plan provides more access to timber for community forests and First Nations.



A new Prince Rupert cruise ship terminal will bring new jobs and opportunities to the Northwest.

Lower taxes and less red tape are already attracting new mining exploration to the Northwest.

Forestry and mining have long been the dominant economic engines across the Northwest, and the province's plans for revitalizing forestry and renewing mineral exploration will ensure that continues. At the same time, investments in the Port of Prince Rupert will support increased economic activity and tourism all across the Northwest.

More Opportunities for Northwest Communities

Mining

- New jobs and economic growth generated by increased mineral exploration, which is expected to double from $32 million in 2001 to more than $60 million this year.
- Less red tape, lower taxes and a more competitive business climate are attracting new investment from major companies like Noranda, which has returned to B.C. to explore opportunities near Eskay Creek.
- As many as 300 construction an 260 mining jobs could be created at the proposed Tulsequah Chief mine near Atlin, which has received a project approval certificate from the province.

Forestry

- Better access to timber and new opportunities for value-added and small operators with 45 per cent of the annual harvest eventually available on the open market.
- More stable, long-term forestry jobs because timber will be allowed to flow to where it can produce the most value.
- An MLA committee will help restructure the small-scale timber salvage program to create new opportunities for forest workers and communities.
- More opportunities for First Nations through $95 million in revenue sharing, like a $2.6-million agreement with the Gitxsan Hereditary Chiefs to increase land-base certainty and create new jobs.

Transportation

- $135 million to improve transportation infrastructure over the next three years, including upgrades to Highway 16 and Highway 37.
- Completion of the Nisga'a Highway.
- Expansion of the Port of Prince Rupert beginning with a new container port.
- Sustainable freight rail service to support economic growth while maintaining public ownership of BC Rail railbeds, rights-of-way and tracks.

Tourism

- Expanded cruise ship capacity at Prince Rupert to increase opportunities in B.C.'s half-billion-dollar cruise industry.
- Increased tourism marketing through the $1.25 million in new funding for provincial and regional tourism promotion.
- A B.C. Resort Task Force to promote all-season growth and job creation at ski destinations, like Hudson Bay Mountain near Smithers, and coastal resort opportunities.
- Jobs and economic benefits generated by the 2010 Winter Games.

Key Facts

- Population: 110,806
- Percentage of B.C. Population: 2.7%
- Percentage of B.C. landmass: 33.5%
- Employment: 47,300
- Percentage of B.C. Employment: 2.4%

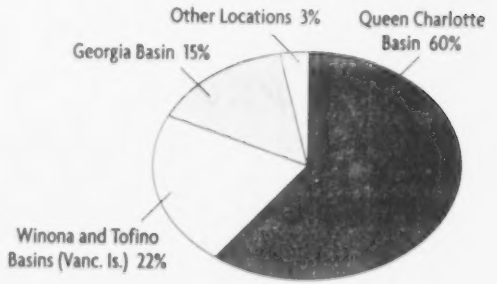
Key Opportunity: Offshore Oil and Gas

The offshore oil and gas industry has the potential to be the top industry in the northwest, with an estimated value of $500 billion over 30 years.

The province is committed to realizing a thriving offshore industry by 2010 that will create thousands of jobs for Northwest communities.

A Wealth of Jobs and Opportunities

The Northwest holds more than half of B.C.'s Offshore Natural Gas Resources



The B.C. Heartlands Economic Strategy: A Foundation for Prosperity

The Heartlands are B.C.'s economic engine.

By opening opportunities for growth in traditional and emerging sectors, the province is laying the foundation for renewed economic growth and job creation in every region.

These sector-specific measures build on significant tax and regulatory relief, labour reforms and other actions to restore competitive business conditions provincewide.

All of these efforts are supported by a new transportation plan that will form an integral part of the Heartlands Economic Strategy – opening up access to resources, building new roads and other infrastructure to increase efficiency, reducing congestion and travel distances to cut transportation costs, and improving public safety.

The province is also investing in economic measures and partnerships with B.C.'s First Nations and taking bold steps to advance the treaty process. Already, the province has signed over 260 treaty-related measure, economic measure, forestry direct award, oil and gas consultation and parkland management agreements with First Nations. In turn, treaties and other agreements will generate certainty, opening the Heartlands to new investment and jobs.

Importantly, the province is making these strategic changes and investments while keeping B.C. on track for a balanced budget in 2004-05. Strategic fiscal management will be one more competitive advantage in drawing investment to B.C.

This strategy is a platform for continued action. The province will continue to work to make the changes necessary to revitalize economic growth, create jobs and build a bright future for communities and families in our Heartlands.

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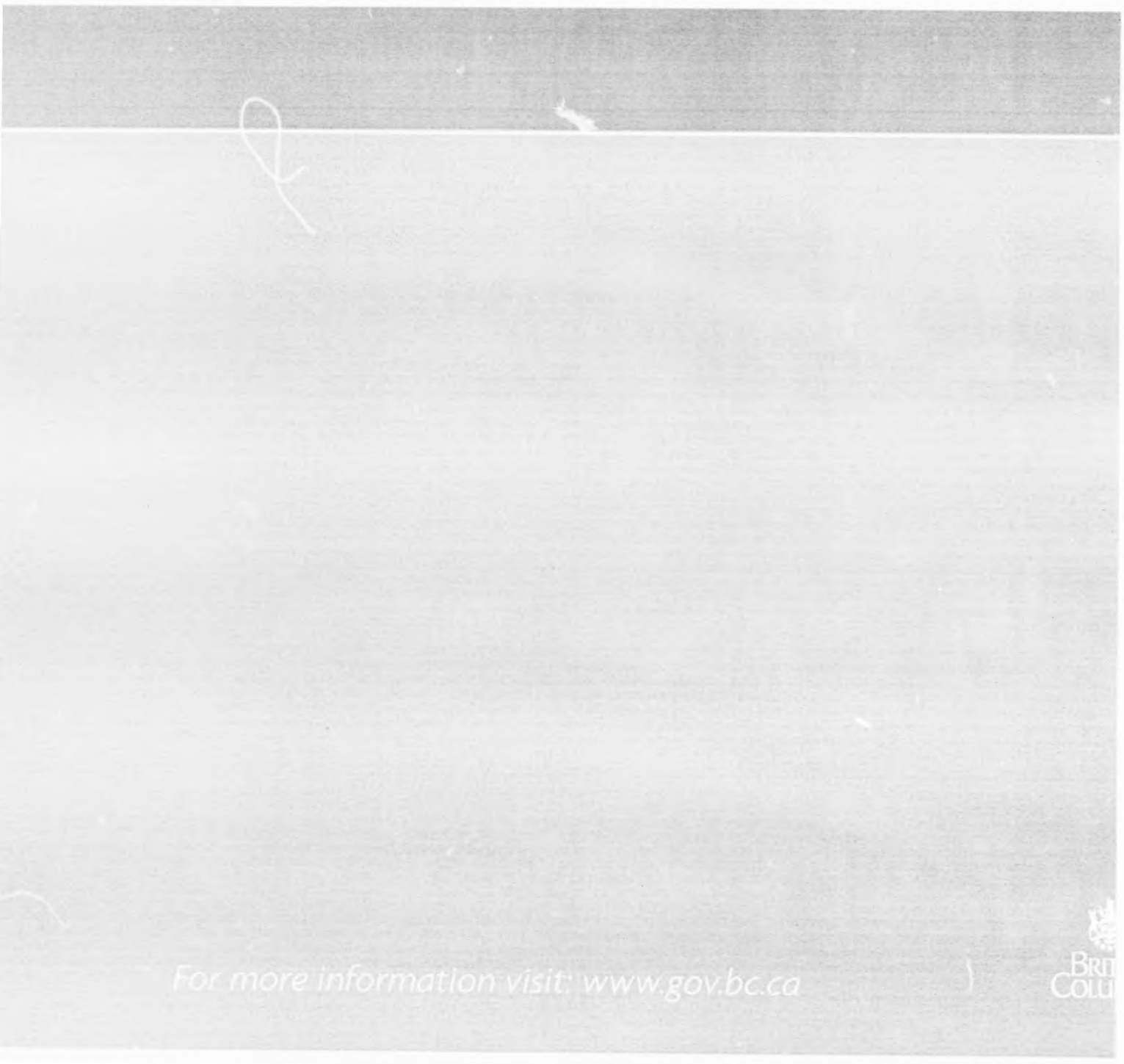
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